

# COST TAKE OUT ADVISORY SERVICES



In these unprecedented times, local school systems have been asked - and are forced - to think creatively and innovatively about educational instruction, distribution of meals, and outreach to students in need. As we move into a new fiscal year, additional methods of innovation and efficiencies will be required to strategically address the known massive cuts to revenue and budgets.

How your organization addresses the forced budget cuts will have a lasting impact on school performance, operations, and quality of service for years to come. At Mauldin & Jenkins, we have a dedicated Public Sector Advisory Practice with professionals who possess significant experience helping school districts and other public sector organizations strategically restructure operations, service delivery models, and ultimately budgets while minimizing impacts on service quality.

Your revenues and budgets are in a state of uncertainty right now. There is a need for significant budget reductions and expedited decision-making. We have subject matter expertise in a wide array of services that enables us to assist clients with creating optional models or scenarios for numerous different methods of cost reduction. There is no single lever to pull, and all levers should be explored appropriately to understand how to best cut costs for your specific school district. There are likely many cost reduction options that may have no negative impact to service quality, such as reducing redundancies or inefficiencies through changes to service delivery models, or by leveraging existing or new technology. We have the experience and expertise to assist your school district in thinking through numerous cost reduction options while evaluating the impacts.

Listed below are a small representative sample of areas typically ripe for cost take out:

- **Service Delivery Models** – How is your school district providing certain functions and activities? Can certain services be provided in a more streamlined and efficient manner? Are redundant services being provided at each school within the district that could be moved to a district wide Shared Service Center or Center of Excellence?
- **Resource Models** – Is your staffing model above federal requirements in certain areas? Are there positions that can be shared or provide services to more than one school? Are there opportunities for school, class, or program consolidation? Are there options for early retirement packages?
- **Technology** – Are you maximizing the capabilities of your existing ERP or other purchased technologies to perform services in the most cost efficient manner? Are there other technologies that can be procured to alter workflow and generate a positive return on investment?
- **Budgetary Frameworks** – Have you considered various budget methods such as Performance Based Budgeting or Zero Based Budgeting to scrutinize all expenses, require justification, and tie budget allocations to expected results or outcomes? Are there “hidden costs” that are not necessary and have been carried over from year to year due to traditional budgeting methods?
- **Assets** – Are there existing assets that are not maximized or at capacity, while still requiring a high level of fixed costs to operate and maintain? Are there assets that can be disposed of to eliminate ongoing operating and maintenance costs while also bring in revenue from disposing of the asset?

The sample areas above is just a short list of potential cost containment areas, but demonstrate the need to intimately evaluate all aspects of operations to effectively arrive at a cost cutting strategy that ensures continuity and sustainability of operations in a quality manner.

# GRANTS MANAGEMENT ASSISTANCE ADVISORY SERVICES

It was recently announced that Georgia public school districts will receive \$411M in CARES Act funding. This relief will not offset the required budget cuts, but will obviously help. The relief funding certainly comes with strings and numerous requirements, and could potentially result in the repayment of funds if not managed appropriately. Mauldin & Jenkins' Public Sector Advisory Practice has professionals with significant experience working at the federal, state, and local levels related to grant disbursement, management, reporting, monitoring, and compliance. We want to help ensure that each school district maximizes its CARES Act funding while adhering to the governing rules and regulations, and not have any portion of the spend disallowed or be forced to repay.

As you prepare for the upcoming fiscal year and the receipt of Federal recovery funds, you will be balancing multiple priorities in a new and accelerated operating environment. Our team of skilled grants management professionals can review your school district's current grant management function and make recommendations for improvement to help maximize federal funds while maintaining financial and programmatic compliance.

Listed below are key considerations for receipt and management of your school district's CARES Act funds.

- **Procurement and Competition** - Your system maybe procuring new goods and services in this unfamiliar environment. Your policies and process need to be compliant with all Federal and State procurement requirements based on procurement with Federal funds.
- **Effective Evaluation and Subawards** - You should ensure that you have developed RFPs that ensure maximum competition and result in the best options available for your award. Awards should have all Federal compliance language and should protect your investment and ensure strong performance towards your objectives.
- **Contract Monitoring and Performance Analysis** - How do you define success? How do you benchmark progress towards successful performance?
- **Financial Controls** - There are multiple processes involved in the effective and compliant administration of Federal funds. You will need to consider processes for accounting, fund disbursement, financial management, timekeeping, monitoring, record keeping, internal controls, and other associated processes which will be reviewed in an audit of federal funding oversight.
- **Administrative Recovery** - If the CARES Act funding allows for administrative recovery, you will need to ensure that your school district has an approved administration or indirect cost rate to demonstrate appropriate internal costs for administering the funds. You also may need additional supporting documentation such as time and activity allocations to demonstrate internal management costs incurred.

## ABOUT M & J

Mauldin & Jenkins is one of the largest certified public accounting firms in the country headquartered in Atlanta, GA providing advisory and audit services across the United States. We are considered to be a large regional firm, but embrace the values and practices of a small local firm. Mauldin & Jenkins recognizes the unique operating environment and pressures faced daily by governments and other public sector organizations. As such, we have created our Government Advisory Services Practice, which consists of consultants solely focused on serving state and local government clients – big and small. We bring leading practice operational and service delivery model knowledge and specialized insight to our engagements coupled with a deep understanding and appreciation for the public sector. In addition, the Practice includes consultants who have served in C-level executive management positions within state government overseeing finance, human resources, operations, and program delivery functions.

These are uncharted times. We want you to know that you don't have to face this challenge alone. We are here to assist and happy to further discuss any of the information contain herein.