



Board Agenda Item #	II F - Action Item
Date:	May 20, 2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Nanie Montijo, Chief Finance Officer
RE:	Approval of Fiscal Oversight Contract to School Services of California

Proposed Board Recommendation

I move that the board authorize the CEO or a designee to execute the contract with School Services of California to take over the fiscal oversight from FCMAT.

Background

On August 31, 2015 MPS entered into an agreement with FCMAT for oversight services. FCMAT’s scope of work includes a monthly fiscal oversight in accordance with the charter’s settlement agreement with its authorizer, LAUSD covering fiscal year 2015-16.

In February 2017, MPS received a scope letter from LAUSD, Office of the General Counsel dated February 8, 2017. The letter states that, at a minimum, Magnolia must remain subject to fiscal oversight by FCMAT or an equivalent entity for six (6) consecutive months in 2017, to commence as soon as possible, with an option, at the District’s request and sole discretion, to extend the oversight period depending on the results of the first six (6) months of oversight. LAUSD requests that MPS submit a revised formal proposal for meeting the fiscal oversight requirement.

On March 8, 2017, MPS received a confirmation from FCMAT that the firm will not be able to extend the review and testing of the 2016-17 and 2017-18 financial transactions.

Three firms submitted formal proposals.

Name of Agency	Estimated Cost
School Services of California	\$57,600
Vavrinek, Trine and Day	\$50,000
CWDL, Certified Public Accountants	\$26,000

After reviewing all the proposals, LAUSD chose School Services of California.

Budget Implications

The highest estimated cost is included in 2017-18 MERF budget.

How Does This Action Relate/Affect/Benefit All MSAs?

A successful review and positive feedback from the oversight agency will validate the adherence of MPS’ financial records and fiscal procedures to generally accepted accounting principles, audit standards, and compliance to all local, state and federal requirements.

Name of Staff Originator: Nanie Montijo, CFO