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| Board Agenda Item # | Agenda # III A |
| Date: | September 14, 2017 |
| To: | Magnolia Board of Directors |
| From: | Caprice Young, Ed.D., CEO & Superintendent |
| Staff Lead: | Nanie Montijo, Chief Financial Officer |
| RE: | Ratify Payment of Prior Period STRS Contribution Interest and Penalties to SDCOE/CALSTRS and Transfer of Funds |

Proposed Board Recommendation

I move that the board ratify the payment of prior fiscal years' (2010-2017) interests and penalty assessments for MSA San Diego CALSTRS.

Background

MPS contracted with third party consultant to analyze the accuracy and timeliness of MSA San Diego STRS and PERS calculations, deductions, and remittances from fiscal year 2010-11 through 2016-17. Upon completion and submission of the review and analysis, CALSTRS invoiced San Diego County Office for MSA SD's late contribution penalties and interest in the amount of \$38,615.55.

Prior years' STRS and PERS adjustments and potential liabilities are discussed in the MPS board meetings during presentation of financial reports but not included in the board approved budgets for fiscal year 2017-18.

Budget Implications

Total assessment is \$38,615.55.

San Diego County Office deducted this amount from San Diego Treasury account and will be paid back by MERF Home office to MSA San Diego upon board approval.

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

Name of Staff Originator:

Nanie Montijo, CFO

Attachments

CALSTRS Invoice dated 8-11-17

INVOICE

AR 1744 (REV 05/11)



California State Teachers' Retirement System
P.O. Box 15275
Sacramento, CA 95851-0275
www.calstrs.com

Date: 08/11/2017

San Diego County Office of Education
6401 LINDA VISTA ROAD RM 605
SAN DIEGO CA 92111-7319

Business Partner No. 1000000037
Report Source ID 00037

SU62 37126 Corrections

| INVOICE NUMBER | MEDIA ID | REPORT MONTH FISCAL YEAR | AMOUNT DUE | DUE DATE |
|----------------|---------------|--------------------------|-------------|------------|
| 20006994 | STM0000018839 | SU - 2017 | \$38,615.55 | 09/10/2017 |

| PENALTIES & INTEREST ASSESSMENT | |
|--|--------------------|
| Penalty Type: | |
| DB - Late Report | \$0.00 |
| DB - Late Report - Contribution Adjustment | \$0.00 |
| DB - Late Contribution - Prior Fiscal Year | \$21,567.51 |
| DB - Late Contribution | \$17,048.04 |
| Total Amount Due | \$38,615.55 |

If your payment is not received on or before the due date, interest at an annual rate of 7.0% will accrue on the unpaid balance. An Invoice Detail report substantiating this assessment is available via the Contribution Account Portal on the Secure Employer Website (SEW). This assessment is in accordance with Education Code 23003, 23006, and 23008. If you feel the assessment is invalid, you may initiate a dispute case via Penalty Assessment & Dispute Management on the portal within 90 days from the date of this invoice. If a dispute case is not initiated within this timeframe, your right to an appeal is forfeited in accordance with California Code of Regulations, Title 5., Division 3, Chapter 1, Article 16, § 27009. If you have any questions regarding this invoice, please contact Accounts Receivables via email at AR@CalSTRS.com.

Please include the invoice number on your payment and remit to:

Attention: Accounting Division - Cash Receipts
California State Teachers' Retirement System
P.O. Box 15275
Sacramento, CA 95851-0275
www.calstrs.com

Our Mission: *Securing the Financial Future and Sustaining the Trust of California's Educators*