



THE SCHOOL DISTRICT OF  
PHILADELPHIA

# Finance Updates

---

# ERP Update

---


- In December 2020, the District presented an ERP update to the Board which highlighted:
  - Key accomplishments to date
  - A robust testing schedule for preparing for Finance and Procurement “go live” on July 1, 2020
  - An aggressive timeline to go live with the new HR system and Payroll on January 1, 2021
- Despite the unanticipated challenges presented by the pandemic, the ERP teams have been able to proceed with work on the ERP, though some timelines will be impacted



# ERP Update: Finance and Procurement


---

- The Finance and Procurement System will go live on July 1, 2020 as planned and will include:
  - Shopping cart like purchasing (instead of current “Green Screens”) for schools and departments
  - Centralized invoices and payments, taking burden off school personnel and improving accountability and speed of District payments to vendors
  - New features that tie online contracts to vendor payments and a new module for tracking Minority and Women-owned Business Enterprises (MWBE)
  - A self-service portal for vendor registration


# New Purchasing Screen


THE SCHOOL DISTRICT OF PHILADELPHIA




KJ


Search Results


More Tasks 

Shopping Lists 

Done

0

Shop by Category 

computer

Expand Search

Categories

Technology (3)  
4321150901 (3)

Brand

Price


400



900


\$ 400 - \$ 900 

Go

Hide Filters

Sort By Relevance 








ipad pro 256 gig

\$800.00 Each

1










ipad 64 gig

\$400.00 Each

1









ipad pro 512 gig

\$900.00 Each

1





# ERP Update: HR

---

- The District still plans on launching a new application system (Taleo) in October 2020 to ensure our candidates have an improved and welcoming experience in the hiring process
- Given the impacts of the pandemic, the District is moving the “go live” date for the new HR system and Payroll to July 1, 2021. Moving this date will allow the District to ensure adequate focus on a smooth launch of finance this July, as well as adequate time for design and testing of the new HR and Payroll systems
- Given the move of the HR ERP system to July 1, 2020, we are revising the launch of the employee attendance system (Kronos) as well as exploring the possibility of moving to a mobile application in addition to the time clocks in buildings
- Additional costs related to revised timeline estimated at \$2.75 million



THE SCHOOL DISTRICT OF  
PHILADELPHIA

# **2020-21 Tax Revenue Anticipation Notes (TRAN)**

---

# Cash Flow and Fund Balance – Operating Fund

---

- Revenues are received unevenly throughout the year, primarily because City Real Estate revenues (over \$815 million projected in FY21) are received mainly in February and March
  - Real estate taxes make up 26% of total revenues
  - Revenues can fluctuate monthly between \$100m to \$650m a month
- Expenditures are more constant through the year, with scheduled payroll and charter payments
  - Expenditures range from \$250 to \$450 a month
- The District's year-end fund balance is the total amount of funds remaining at the end of the year
- The projected year-end fund balance for FY20 is \$159 million
  - Equal to 4.8% of total expenditures
  - Recommended figure is 10% of total revenues
  - \$159 million is equal to 2.5 weeks of operating costs for the District

# Short-Term Debt

---

- The \$159 million fund balance will not offset the District's low revenues through the first seven months of FY20-21 (July - January)
- The District will have negative fund balances (no cash) from November to January if it does not borrow money to cover cash flow
- To allow for regular cash flow throughout the year, the District borrows Tax and Revenue Anticipation Notes (TRANs)
  - Standard government practice to smooth cash flow
  - Funds must be borrowed and repaid within the same fiscal year
  - Under State law, the District must do a projected cash flow for the year, and use a formula to determine the maximum allowable amount for a TRAN borrowing
  - Under that formula, the maximum TRAN amount for FY20-21 is \$xxx million



# 2020-21 TRAN Details

---

- With the economic recession, and a smaller fund balance, the District will need to borrow more money to ensure adequate cash flow during FY21
- TRAN borrowing amount of \$**TBD** million
- The District plans to do a Public Offering to take advantage of low interest rates in early July
- Estimated Interest Rate of 1.35% (as of June 9, 2020). Final rate will be set on date of sale