



Finance Office
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To: Liam Skinner, Superintendent of Schools
From: Derek Pinto, Assistant Superintendent of Finance
Date: February 5, 2025
Subject: Outstanding Expenses from Prior Fiscal Years

Purpose: To share information on outstanding expenses from the previous fiscal years that remain unpaid (details below). Immediate attention is needed to ensure accurate financial reporting and avoid potential penalties related to late payments.

The LPS Finance Department personnel understand that submitting unpaid prior-year expenses or expenses incurred without appropriation is generally discouraged, it remains a necessary part of the clean-up process for Lowell Public Schools.

Recommended Motion:

Massachusetts General Law (Chapter 44, Section 64), provisions require a two thirds vote by the City Council to pay for the attached unpaid obligations from the Fiscal Year 2022, 2023 and 2024 using School Department Fiscal Year 2025 funds.

This motion is to respectfully request approval to forward \$352,369.60 of unpaid obligations with vendor certifications to City CFO for approval by City Council.

FY 2022

- **Academic Therapy Publications:** Items procured appropriately, received with a few back orders. The initial partial invoices were paid but the back-ordered invoices were received by AP after the purchase orders were closed (\$9,721.90).
- **Barnes and Noble:** Items procured appropriately, received and the invoice was misplaced (\$497.56).
- **Brazukinha Transportations:** McKinney-Vento Transportation service for Lowell students placed in Boston. This was previously approved by the School Committee in FY22 (\$110,204).

FY 2023

- **Academic Therapy Publications:** Items procured appropriately but the invoice was not received by accounts payable to be processed. This PO has since been closed (\$1,624.70).
- **All Sports:** Items procured appropriately but the invoice was short paid (\$95.93).
- **Books International, DBA Letterland:** Items were procured appropriately, received and an initial partial invoice was paid. The invoice for the back-ordered item was misplaced and never processed. The PO has since been closed (\$629.95).
- **BSC Supply:** Items procured appropriately but the invoice was not received by accounts payable to be processed. This PO has since been closed (\$280.09).
- **Riddell:** Athletic equipment procured without a purchase order (\$8,301.75).
- **Teacher Synergy, LLC:** The items were procured appropriately. An error occurred in the accounts payable process – an invoice was charged to the wrong PO leaving it short paid and the other unable to be processed (\$169.86).

FY2024

- **Amplify:** Items procured appropriately; licenses received but the invoice was not received to be processed by accounts payable (\$5,280.45).
- **Commonwealth Consulting Agency:** Coaching/PD services rendered without a purchase order (\$3,750).
- **Curriculum Associates:** Licenses procured without a purchase order (\$486.28).

- **Fitness Finders:** This was a duplicate order received but not returned. The invoice was thought to be a duplicate by accounts payable not knowing the items were kept (\$70).
- **HercRentals:** Emergency service requested for a dehumidifier at the Reilly School. A purchase order was never initiated (\$2,844.17).
- **Imagine Learning, LLC:** Items were procured appropriately, received and an initial partial invoice was paid. The PO was closed prior to receipt of the remaining invoices (\$10,465.28).
- **Konica Minolta:** Cancellation of copier lease agreement (\$39,918.84).
- **Nick's Luxury Transportation:** Services rendered with a purchase order; the invoice required modifications and was misplaced in the accounts payable process (\$123,885).
- **Raptor Technologies:** Invoice was accidentally short paid, and the purchase order was closed (\$30).
- **Suffolk University:** Training registrations submitted without a purchase order (\$2,100).
- **T-Mobile:** Services for mobile student hotspots initiated by signed agreement but a purchase order was not placed. The Business Office and IT Department worked together with the vendor to remove all mobile hotspots and stop service as of 11/30/2024 (\$8,000).
- **The Home for Little Wanderers:** DCF placed a student without LPS' knowledge. Invoices were received for student tuition without a contract or purchase order in place to process. The Special Education Office has investigated and confirmed the appropriateness of the expense (\$15,995.46).
- **The Prophet Corp./Gopher Sport:** Shipping costs not included on the original PO (\$363.75).
- **Vermont Permanency Initiative:** Out of District student tuition for SY23/24. A contract was initiated but not approved by the City Solicitor (\$115,879.10).
- **Whalley Computer Associates:** Items procured appropriately but the invoice was received after the PO was closed (\$1,980).

We are actively investigating additional unpaid prior year expenses that may come forward for your consideration.

- **Follett/Aspen:** On-line Registration (OLR) platform and support. The request was initiated by the previous administration but not completed. We had a purchase order in place at the onset of the agreement but the build out is still not complete. That PO has since been closed and the vendor is seeking payment for services rendered (\$150,107.50).
- **Fred J. Miller:** Increased cost in band uniforms originally purchased in 2021 and 2023 (\$2,920).
- **University of Massachusetts (Lowell):** ESSER funded UML-LPS Research Practice Project started May 2022 (\$250,000).

To address this issue and eliminate such motions moving forward, we have been actively engaging with school and department staff to mitigate the risks associated with outstanding expenses. The following steps have been taken:

- **AP Drop Box:** We introduced an "AP Drop Box" via Google Drive to streamline the submission of POs and invoices from schools to the Business Office. This has been an effective step in eliminating miscommunications that can lead to unpaid prior-year expenses.
- **Increased AP Support:** Since July 2024, we have expanded AP support within the Business Office, with dedicated staff reviewing the AP email inbox daily. This has helped manage the high volume of emails and improved response times.
- **Monthly Reporting:** We send monthly year-to-date budget and open PO reports, focusing on outstanding or older orders. We encourage staff to reach out to vendors for invoice updates or back-order status.
- **Training:** We held an in-person training session at Central Office for School-based Administrative Assistants to update them on the procurement and accounts payable (AP) process. The session was well-received, and we plan to continue these trainings on an ongoing basis.
- **Vendor Communication:** We request emailed proof of communication from vendors when an order is canceled, ensuring confirmation that the vendor has been notified and that all items have been either canceled, shipped, or paid for, so the balance can be closed.