

**Question / Suggestion: Does Carroll County Public Schools seek additional sources of revenue besides tax dollars and fees?**

Response: The Finance and Purchasing Departments have initiated and/or expanded several initiatives to generate additional revenue for the school system. These revenues go back into the general fund and are budgeted alongside traditional funding sources in the non-restricted operating budget. These initiatives are discussed below.

#### **Procurement Card Program – Savings and Revenues**

Procurement cards have been used in the school system over the last decade or more as a way of increasing operational efficiency and decreasing costs. While the school system's implementation has a number of safeguards built in to prevent and detect abuse and misuse of the cards, the overall workload and processing costs are still less than the traditional purchase order and accounts payable processes.

In April 2008, SunTrust Bank became the Carroll County Public Schools' (CCPS) procurement card banking institution. One of the main reasons CCPS sought and selected a new procurement vendor was due to the lucrative rebate programs available in the market, such as the one offered by the selected vendor, SunTrust Bank. Since the inception of our new procurement card program CCPS has earned over \$180,000 in rebate income.

#### **ESP Payables Program – Expansion of Procurement Card Revenue Benefits**

To take further advantage of the revenues offered by use of procurement cards, CCPS has looked for ways to process larger purchases via the procurement card payment process while still retaining adequate financial controls. The solution is the ESP payable program offered through the procurement card vendor, SunTrust Bank. For willing and eligible vendors, payments are processed through CCPS' normal accounts payable process, but then an interface between CCPS' financial software and SunTrust allows vendors to be paid electronically by procurement card within one day, rather than waiting to receive and deposit a paper check. The system started with one vendor in March 2008; currently all vendors receiving over \$75,000 per year from CCPS are being offered the opportunity to participate in this program. The participating vendors are receiving their payments more quickly. CCPS not only saves the costs of mailing checks but has instantly accessible electronic verification of when vendors have been paid. For every additional \$100,000 in payments processed this way, at least \$800 is earned by the school system.

### **Sales of Excess Assets**

Prior to June of 2008, retired vehicles were either traded in or sent to auction. Trade-in values received were minimal and the auctions being used involved a commission which reduced the school system's net receipt by five to ten percent. Since June 2008, Carroll County Public Schools has used PublicSurplus.com to sell our vehicles. This service allows the school system to set the minimum price it is willing to accept and the school system pays no fees as buyers pay a premium to PublicSurplus.com. Using PublicSurplus.com casts a broader net, capturing buyers across the country, and results in receiving greater prices. As part of the bidding process for replacement vehicles, the school system has asked bidders to include an optional trade-in value, and in every case the school system's decision to instead use PublicSurplus.com has resulted in a greater value returned to the school system. Since implementing the services of PublicSurplus.com in the 2008-2009 fiscal year, CCPS has realized over \$74,000 in sales of vehicles.

In addition to vehicles, CCPS has used Public Surplus to sell various obsolete furniture and equipment, realizing over \$27,000 in revenue since August 2011.

### **Computer Recycling – From Expense to Revenue Generator**

The school system replaces computers on a five-year cycle to insure that efficient, supportable, and well-maintained systems are available for staff and student use. This generates a significant amount of obsolete electronic equipment which cannot legally be sent to landfills due to hazardous chemicals contained in the devices which could leech into the landfill over time. Historically, CCPS paid to have the computers, monitors, and other electronic equipment removed and disposed of in a manner that met all local, state and federal guidelines. Over the past several years, costs were in the range of \$15,000 - \$20,000 per year.

CCPS now uses a company that picks up the computers, monitors, and associated hardware for free. This company safely discards unsalvageable parts and recycles much of the waste. The vendor pays CCPS for the recycled goods while providing written certification of the recycling, proper disposal, and media sanitization. To date, CCPS has received \$43,000 for the recycling of computers.