



# Insights Report

# Table of Contents

<b>INSIGHTS REPORT</b> .....	<b>3</b>
INSIGHTS SESSION SUMMARY.....	4
<i>Background</i> .....	4
<i>Current state</i> .....	4
<i>Future state</i> .....	4
OBSERVATIONS & RECOMMENDATIONS .....	5
<i>Revenue</i> .....	5
<i>Lack of Controls over Gas Account</i> .....	6
<i>Visibility into Library Activities</i> .....	6
<i>Accounts Payable</i> .....	6
<i>Over-reliance on Auditor</i> .....	7
<i>Vendor Onboarding Process</i> .....	7
<i>Payroll</i> .....	8
<i>Month-end close checklist</i> .....	8
<i>Monthly financial reporting</i> .....	9
<i>Cash flow forecasting</i> .....	9
<i>Budgeting and forecasting</i> .....	10
EXECUTION STRATEGY.....	11
<b>PROPOSAL</b> .....	<b>12</b>
OUR APPROACH .....	13
<i>Who we are</i> .....	13
<i>Our methodology</i> .....	13
<i>Our core services</i> .....	13
<i>How we work</i> .....	13
<i>Team collaboration</i> .....	14
<i>Team structure</i> .....	14
SCOPE OF ENGAGEMENT .....	15
<i>Phase 1: Transition seamlessly</i> .....	15
<i>Phase 2: Execute core accounting and revamp processes</i> .....	16
<i>Phase 3: Optimize finance for scalable growth</i> .....	18
PROJECT TIMEFRAME & COST .....	19

# Insights



# Insights Session

# Summary

## **Background**

The City of Mayville, located in Southeastern Wisconsin has 5,000+ residents. The city boasts a great community recreation program and offers a public library and athletic center among other public offerings.

## **Current state**

John Guinn, the current Mayor, is supported in the City's finances by the Comptroller - Treasurer, Angela Runde ("Angie"), a City Clerk, the Deputy Clerk, a Utility Accountant, and a Director of Utilities. Due to downsizing the Comptroller's office about 10 years ago in a Citywide effort to reduce the budget deficit, many members of the Comptroller office are new. The reduced team has caused issues with segregation of duties and roles and responsibilities alignment. Angie is looking for advice and bandwidth support in setting processes, optimizing the team, and cleaning up historical balances to get the City back on track providing accurate reporting with sustainable finance and accounting practices.

## **Future state**

In partnership with Sikich, Mayville will have financial clarity and hygiene, optimized resources, and reporting capabilities that empower the Mayor and Angie to make strategic decisions and further the City of Mayville's progress toward its goal of optimizing its finance and accounting function.

# Observations & Recommendations

The following observed challenges, found during the Insights Session and financial materials review, **will be obstacles in reaching City of Mayville's goal of establishing the optimization of the finance and accounting function.** For each observation, the recommended solution builds a playbook for financial hygiene and clarity.

## Revenue

- **Tax Revenue Reconciliation**

- **ISSUE:** The previous treasurer used GCS to track tax assessments and receipt of payment. The information would then manually be entered into Caselle. Historically, there was not a reconciliation process between GCS and Caselle to ensure the GL was complete and accurate. Upon initial review, Angie discovered 25 voided transactions without support.
- **IMPACT:** Without a reconciliation and review process for a core revenue stream, the financial statements may not be accurately stated. Furthermore, there needs to be segregation of duties (approving and entering voids) and proper documentation to ensure voided transactions are valid.
- **SOLUTION:** Implement a monthly reconciliation between GCS and Caselle. Ensure all voided transactions go through approval hierarchy and have supporting documentation.

- **EMS Revenue**

- **ISSUE:** The Director of EMS is performing all billing and coding for the department but does not have an accounting/finance background.
- **IMPACT:** The additional work stretches the Director of EMS. Furthermore, he does not have the background or awareness to know when something is off or needs to be coded differently, thereby creating inconsistencies in the presentation of information in the financial statements.
- **SOLUTION:** Align roles and responsibilities to the right departments and have accounting be responsible for all EMS billing and coding.

- **No Reconciliation of TAG Revenue**

- **ISSUE:** TAG Center reports cash receipts to the Treasurer but does not provide any underlying support from its system to validate the accuracy and completeness of the revenue reported.
- **IMPACT:** TAG revenue may be misstated as the City Comptroller is not able to perform a reconciliation to the underlying source documentation.
- **SOLUTION:** Implement a monthly process to receive detailed activity reports from the TAG and reconcile to the cash receipts report.

## Lack of Controls over Gas Account

- **ISSUE:** Many individuals and departments have access to City of Mayville's accounts at local gas stores. When individual leave the city, there are no steps taken to ensure they can no longer use the City's account at local establishments.
- **IMPACT:** There is risk that some of the charges placed on the City's account are related to personal activity and not city business.
- **SOLUTION:** Either implement a procurement card process to provide better controls over spend on gas or implement additional controls such as reviewing monthly transactions by person to determine any patterns and ensure all users are currently City employees.

## Visibility into Library Activities

### • New Library Project – Capitalization of the Project

- **ISSUE:** The City of Mayville budgeted \$12M to build a new library; however, the City Comptroller has limited visibility into the spending of the project.
- **IMPACT:** Not all costs may be properly recorded between fixed assets for the new building and expenses.
- **SOLUTION:** Implement monthly process for the City's Comptroller Office to get full visibility into spend associated with the new build and how the library recorded the associated expenses.

### • New Library Project – Vendor Onboarding

- **ISSUE:** The Library is managing the vendors and build of the new library on its own, without involving the Comptroller. The Comptroller does not have visibility to ensure the Library is properly onboarding vendors, saving W9's, and tracking vendors for 1099s.
- **IMPACT:** When 1099s are due, it may be an arduous process to collect missing documentation. Furthermore, the Library may not have complete or accurate vendor data resulting in accurate or missing 1099s.
- **SOLUTION:** Ensure all vendors are approved and go through a proper vendor onboarding process, inclusive of collecting W9s and tracking Vendors in Caselle for 1099 generation.

### • Monthly Reporting

- **ISSUE:** Monthly, the Comptroller receives high-level financial statements from the Library that are used to enter information into Caselle. The Comptroller does not have granular visibility into the Library's financials.
- **IMPACT:** Since the Comptroller oversees all the activities of the City, it is imperative she understands the detail financial operations of the library.
- **SOLUTION:** Work with the Library to implement a process whereby the Comptroller's Office receives accompanying detail support of the financial statements to ensure a more meaningful review and implement checks and balances.

## Accounts Payable

### • Overly manual approval process without controls

- **ISSUE:** When the City of Mayville receives bills, the bills are printed, and then put in a Department Head's mailbox for approval and coding. The accounting department does not have any controls over what bills are outstanding, when bills need to be returned for approval, etc. due to the manual nature of the process.

- **IMPACT:** The City experiences a lengthy AP approval process and the coding is not always accurate due to inconsistent training of the Department Heads.
- **SOLUTION:** The Caselle upgrade should allow for a more streamlined AP process. In the meantime, bills can be emailed to Department Heads for ease of tracking. Furthermore, a spreadsheet outlining bills outstanding, date sent for approval, who is the approval, etc. will help in overall AP tracking and monitoring.
- **No Dual control over payments**
  - **ISSUE:** Due to the department being short-staffed, currently the Comptroller prints the checks as well as stamps her signature and the Mayor's signature.
  - **IMPACT:** While the City, in theory, has a dual-review process for outgoing payments, it is not followed. Not having dual-review over payments increases the risk of potential misappropriation of funds.
  - **SOLUTION:** With realignment of roles and responsibilities, ensure there is proper review before sending out check payments. To streamline the population, create a policy that only checks over an agreed upon dollar amount need dual-review.
- **Tracking Tax Increment Financing ("TIF") Expenses**
  - **ISSUE:** Since the City of Mayville lost its Administrator, it no longer can ensure proper TIF related expense tracking and coding within Caselle.
  - **IMPACT:** Detailed expense tracking is critical to show that the City of Mayville is spending the tax increment in the TIF district.
  - **SOLUTION:** Document policies and procedures around tax increment tracking for the City of Mayville. Ensure members of the Comptrollers Office are trained to identify expenses that need to be coded for the TIF district.

## Over-reliance on Auditor

- **ISSUE:** Mayville relies on its auditor to book adjusting journal entries at year-end. Prior to audit, Mayville does not record its own adjusting entries related to reconciliations, depreciation, etc. At times, the auditors will make adjusting entries without providing the City with any supporting documentation.
- **IMPACT:** The City of Mayville relies on its auditors and does not independently maintain its books and records.
- **SOLUTION:** Remove the auditor's access to Caselle. With a more fully staffed Accounting Department, the City of Mayville can proactively reconcile its accounts, make year-end entries, and maintain all its own underlying support.

## Vendor Onboarding Process

- **Collection of Vendor Information**
  - **ISSUE:** The City of Mayville does not have a documented and consistent Vendor Onboarding Process.
  - **IMPACT:** Not all the necessary vendor information, such as W9s, is captured when setting up a new vendor. This can cause delays in bill processing as well as incorrect 1099 generation.
  - **SOLUTION:** Create a documented Vendor Onboarding Process managed by a team trained on the process. Ensure the system has checks in place to enforce the process.

- **Verification of Vendors**

- **ISSUE:** The City of Mayville receives 50-100 bills a week and does not perform any verification to ensure the vendors are legitimate.
- **IMPACT:** Given the wide variety of vendors and City employees engaging with vendors, there is risk of fictitious vendors.
- **SOLUTION:** Implement a procurement process that requires approval before vendors are engaged.

- **Duplication of Vendors in Caselle**

- **ISSUE:** Vendors have duplicate accounts within Caselle due to different addresses or not entering the full vendor name.
- **IMPACT:** The duplicate vendors within the GL lacks hygiene and creates issues when analyzing expenses.
- **SOLUTION:** Centralize the creation of vendors to the Accounting Department and create a Master Vendor File to track active vendors for the City of Mayville.

## Payroll

- **No Review of Payroll Prior to Processing**

- **ISSUE:** Angie receives payroll information on Monday for payment on Thursday of that week. Angie receives hours detail from managers but there is no validation or approval of hours worked by the managers. Furthermore, there is no one reviewing Angie's entering of payroll data into Caselle.
- **IMPACT:** Hours provided to Angie may not be accurate, and the data entry may have errors, resulting in inaccurate payroll.
- **SOLUTION:** Implement a process where Managers need to review and approve hours provided to Angie. Create a two-step process where one team member enters payroll and Angie reviews to ensure proper checks and balances.


- **Lack of Benefit Reconciliation**

- **ISSUE:** Historically, the City was not reconciling benefits invoices to underlying employment records.
- **IMPACT:** The City of Mayville paid benefits for employees who were no longer employed by the city. Furthermore, employee benefit withholding amounts were incorrect.  
**SOLUTION:** Reconcile benefits on a quarterly basis. Ensure benefits information is reconciled to City of Mayville's employee roster.

## Month-end close checklist

- **ISSUE:** The City of Mayville does not have a close process in terms of clear timelines, accountability, reviews/approval, etc., and reconciliations are not completed monthly.
- **IMPACT:** Financial statements and the resulting decisions they drive are delayed or inaccurate.
- **SOLUTION:** A robust month-end close checklist with definite timelines drives accurate and timely reporting of financial statements. An example of a detailed month-end close checklist is below:





Monthly Close Checklist

Month End

Holidays

Cash	Day	Due Date	Preparer	Date	Reviewer	Date	Notes
1 Ensure all checks / payments received are entered							
2 Reconcile Bank Account							

Credit Card Reconciliations	Day	Due Date	Preparer	Date	Reviewer	Date	Notes
1 Ensure all transactions are entered							
2 Reconcile Credit Card							

Accounts Receivables	Day	Due Date	Preparer	Date	Reviewer	Date	Notes
1 Record sales for cash not yet received							

Prepaid Expenses / Deferrals	Day	Due Date	Preparer	Date	Reviewer	Date	Notes
1 Update Prepaid Schedule for any prepaid expenses in the period							
2 Recognize any prepaid expenses used in the period							

Fixed Assets (if any)	Day	Due Date	Preparer	Date	Reviewer	Date	Notes
1 Updated fixed asset depreciation schedule							
2 Post depreciation expense entry							

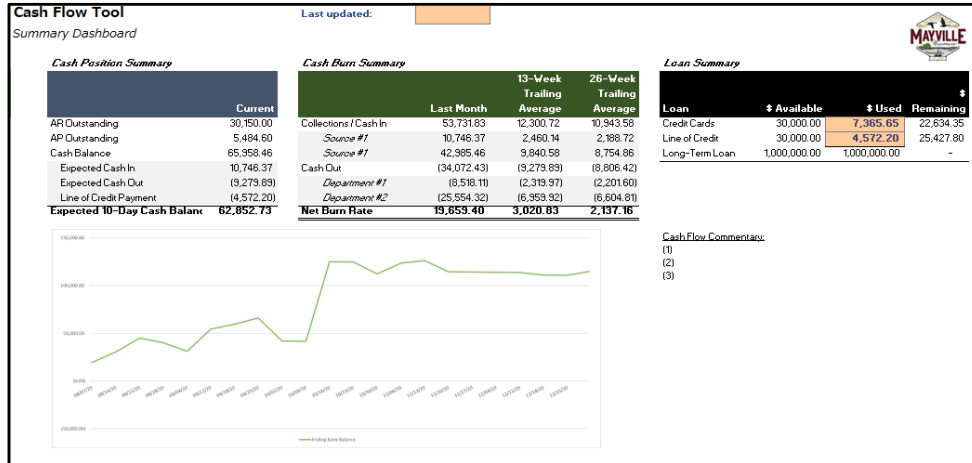
Accounts Payable	Day	Due Date	Preparer	Date	Reviewer	Date	Notes
1 Ensure all bills are accurate and have been entered							
2 Run aging report to identify bills							

## Monthly financial reporting

- **ISSUE:** Mayville does not currently have a financial reporting package the Mayor or Council Members can use to understand business results at the end of each period.
- **IMPACT:** Looking only at budget and financials from prior periods limits the Mayor and the leadership team in their ability to objectively view how the City is functioning.
- **SOLUTION:** Create monthly reporting packages that show financial performance for the current period as compared to budget and prior periods, and key performance indicators.

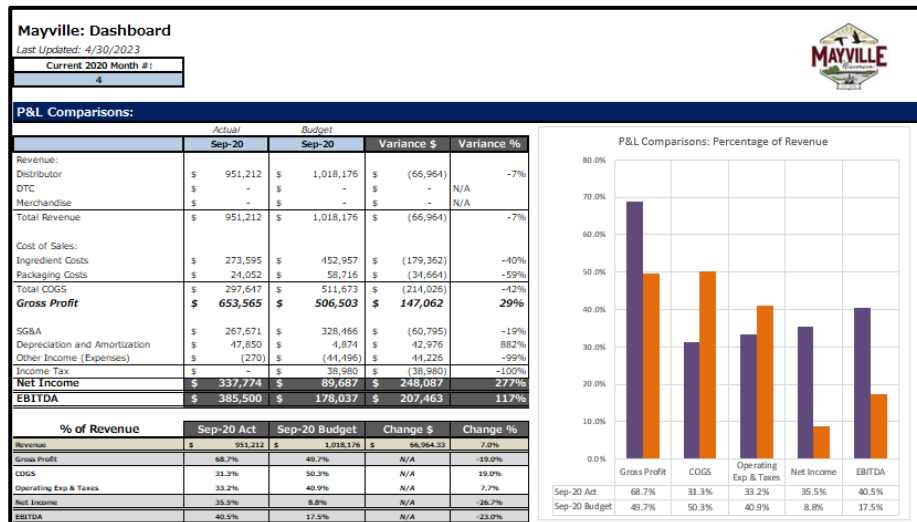
## Cash flow forecasting

- **ISSUE:** The City of Mayville does not monitor its cash flow.
- **IMPACT:** Mayville's current cash position is not understood by its leaders. Especially as the City rebuilds after a tough past decade, lack of cash flow visibility results in delayed decision-making, delayed staffing efforts, and potentially overspending.
- **SOLUTION:** Create a cash forecasting tool by developing a process for recording deposits in real-time using bank data and implementing a systematic approach for building the weekly forecast using The City of Mayville's historical operating and accounting data. This tool should include a workforce planning sheet to see how future hires impact cash flow. While cash flow tools are highly customizable, an example dashboard is included below:



## Budgeting and forecasting

- **ISSUE:** The City of Mayville has not had a proper budget since at least 2019. For the last 4 years, the budget was merely rolled forward without consideration for budget items that need to be added based on changes in the city, such as depreciation.
- **IMPACT:** Without accurate forecasts, the Mayor and Council members will not be able to accurately measure current performance or weigh the costs and benefits of decisions impacting the City of Mayville.
- **SOLUTION:** Implement a formal budgeting/forecasting process where top-down revenue projections are coupled with bottoms-up expense budgets across P&L categories, which then serves as a barometer for departmental/functional leaders. These dynamic financial models allow leaders to compare actual performance against budget on a monthly, quarterly, or annual basis and are customizable based on management needs.



# Execution Strategy

The recommendations above are **critical steps to achieving Mayville's goal of optimizing its finance and accounting function**. Partnering with a firm that provides managed accounting and finance transformation services will:

- Provide financial hygiene and clarity
- Optimize resources
- Improve reporting capabilities

The diligence shown in this report is matched by Sikich's execution team, who will ensure all recommendations are implemented, empowering Angie and Mayville's governmental leaders in their efforts to reach their goals.

The following proposal section outlines the full scope and partnership guidelines.

# Proposal



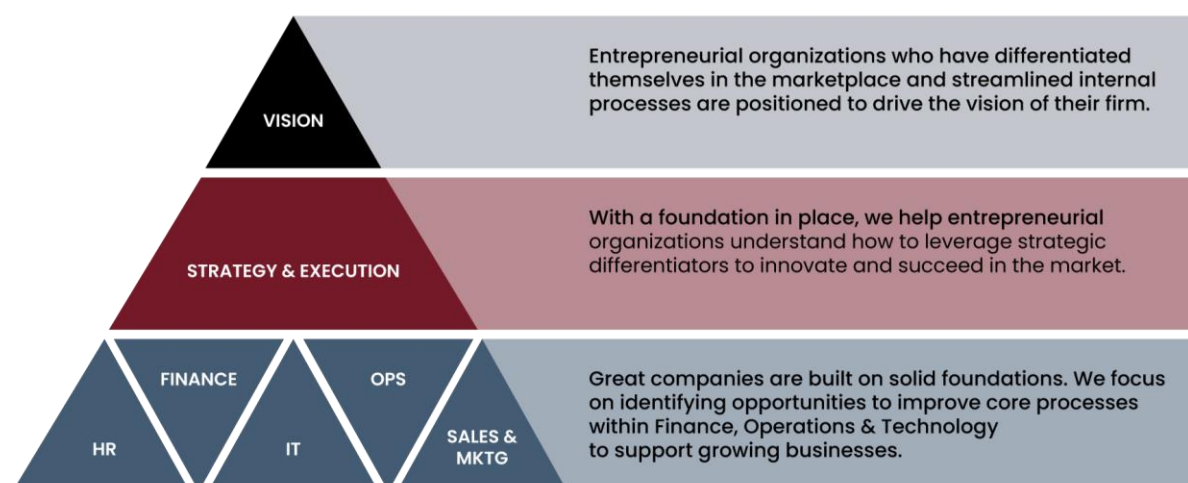
# Our Approach

## Who we are

Sikich partners with high-growth entrepreneurial organizations to build structures and execute processes for accounting, finance, technology, and data. Our cross-disciplinary team acts as a natural extension of your business and tailors support as needs and priorities change. With this approach, we empower founders and executives to scale further, faster.

## Our methodology

Sikich has partnered with more than 300 organizations across such industries as consumer-packaged goods, professional services, food and beverage, SaaS, and more. Through this experience, we have found a methodical, proven way to prepare for growth. We call it the Enterprise Value Pyramid.



## Our core services

Sikich's cross-functional expertise ensures you can optimize and scale efficiently.

- **Managed accounting**

We execute the day-to-day accounting for entrepreneurial organizations by leveraging the best practices and processes we have developed through working with hundreds of companies.

- **Finance transformation**

Finance must have complete insight into business operations. After creating the foundational accounting practice, Sikich will position your finance department as the aggregator and integrator of data to provide the complete picture of financial health.

## How we work

At Sikich, we follow a formalized project management approach.

- The project lead is introduced and integrated as main point of contact.

- We hold weekly status meetings with Angie to review progress. These meetings follow formalized agendas with action items and accountability toward execution.
- We hold weekly internal meetings between the execution team and Sikich managers to ensure we are making progress toward the stated goals.
- We hold quarterly review meetings with Angie and the Mayor to ensure client satisfaction and the appropriate correlation of hours invested and impact received as the business needs evolve.

## Team collaboration

With offices in three locations worldwide (Chicago; Bangalore, India; and Ahmedabad, India), we employ diverse team members in some of the world's most thriving entrepreneurial cities.

Sikich's India team, across two offices, work hand-in-hand with US-based Sikich team members to deliver on enhanced processes. Leveraging the India allows for quicker turnaround of tasks, daily processing of transactions, and a more efficient month-end close.

Our internal project-management structure for client delivery gives you the value and experience of our overall team of more than 100 professionals. With this collaborative approach, the knowledge and resources Sikich provides is far more expansive than your dedicated execution team.

## Team structure

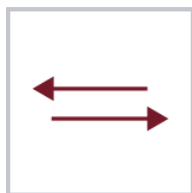
Each member of the Sikich team has been trained in large corporate and small start-up environments. Below is an outline of the roles and responsibilities of your delivery team:

- **Portfolio Lead:** strategic oversight, client success check-ins, point of escalation
- **Project Manager:** executes higher-level functions, provides strategic oversight, oversees the complex technical areas and project management needs, responsible for deliverables
- **Accounting/Finance Analyst:** executes day-to-day accounting, email monitoring, AR/AP, data analysis, month-end close preparation, model wireframe

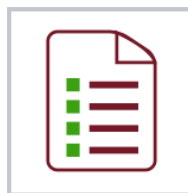
# Scope of Engagement

Based on our conversations, we believe that our outsourced accounting team can be utilized in several different capacities by the City of Mayville in its goals to operationalize the accounting/finance department and provide timely, actionable information to Mayor John.<sup>1</sup>

Sikich will provide Mayville a detailed and methodical approach to address current pain points, align Sikich's skills and experience to Mayville's culture to effectively drive the department, enhance processes and reporting, and provide accurate financials on a timely basis. Our phased approach is outlined below.



**PHASE 1**  
**Transition**  
**seamlessly**



**PHASE 2**  
**Execute core**  
**accounting &**  
**revamp process**



**PHASE 3**  
**Optimize finance for**  
**scalable growth**

## Phase 1: Transition seamlessly

During this month-long phase, the Sikich team will execute a training and transition workplan that will include working sessions with the Mayor, Angie, City Clerk, and other stakeholders that cross-functionally interact with the City of Mayville's accounting/finance function.

The Sikich team will triage current pain points and identify key execution areas to prioritize. We will quickly ramp up and begin to identify processes either through knowledge gained in the working sessions or through our experience and understanding of accounting/finance departments.

During this phase, we will also work with Mayville's stakeholders develop a detailed project plan (three-month view at minimum) to clearly establish execution priorities for the first several months of engagement. By the end of the first month, the goal is for Mayville's to have access to the full complement of necessary outsourced accounting and related consulting services provided by the Sikich team.

### Transition work

- Facilitate working sessions with stakeholders who interact with Accounting/Finance to understand current pain points and help create a complete picture of the department.

---

<sup>1</sup> The City of Mayville will assume all management decisions and responsibilities for the services Sikich is to provide and oversee the services Sikich is to provide by designating an individual (or individuals) with suitable skill, knowledge and experience. The City of Mayville management shall evaluate the adequacy and results of the services and accept responsibility for them.

- Work with Angie to transition all passwords, working files, and tasks currently managed by their team and shadow their team during the first month of transition.
- Begin executing on daily accounting as Sikich progresses through the training and transition within the first few weeks.

## **Establish Project Management Approach**

- Gather data and create central repository for all source documents and working files.
- Create a project workflow plan including individuals involved, timing of various transition sessions, deliverables, etc., which provides Angie and Mayor John (a) with visibility into weekly activities and progress to plan, as well as (b) the ability to actively manage priorities.
- Establish status updates and checkpoints, ideally once a week with Angie.

## **Phase 2: Execute core accounting and revamp processes**

Sikich's priority is a seamless transition to get our team up-to-speed on current state processes at the City of Mayville. Once this initial ramp-up takes place, it can take up to an additional four to five months to analyze the accounting processes and establish a streamlined month-end close process. The work done during the first few months lays the foundation for sound financial reporting and the ability to realign roles and responsibilities to optimize the accounting function. During this phase, the team will not only execute the accounting function under the oversight of Angie, but also help revamp processes along the way.

### **Stabilize: Triage and clean-up**

- Implement any remaining Baker Tilly correcting entries with Angie and operate as the main contact with Baker Tilly for go-forward corrections and audit requests
  - Limit Baker Tilly's direct entries in the system and establish formal roles and responsibilities and lines of communication.
- Review revenue streams, prioritize clean-up based on areas of highest risk, establish controls / reconciliations / alignment of roles and responsibilities. Below are the revenue streams Sikich will review:
  - Library: As Mayville builds a new library, it will need to track capital expenditure.
  - TAG Center: Implement reconciliation of cash and check receipts to system of truth instead of TAG Center-created spreadsheet.
  - EMS Revenue: Take back work from EMS Director and ensure reconciliations are established.
  - Utilities: Review process to ensure Utility Accountant has reconciliations in place and processes optimized.
  - Land Deals: Review available support to ensure land deals are captured within the GL.
- Analyze bill payment process and document policy of required department-level bill approval
  - Utilize Caselle's AP module for weekly bill payments.
  - Email bills to Department Heads for ease of tracking.
  - Create a spreadsheet outlining bills outstanding, date sent for approval, list of approvers, etc. for AP tracking and monitoring.
  - Review current bank and credit card feed coding and create documentation on expense mapping to the GL to distribute to department heads.
  - Investigate process of gas card issuance and perform an audit of active users. Consider an alternate solution like Procard, Ramp, or a similar solution.
  - Update vendor onboarding process to include collection and storage of W9s prior to vendor payment, tracking of 1099 vendors, and validation of expense validity.



- Design and implement process for enhanced visibility and collaboration between the Library and Comptroller's office.
  - Detail of capital expenditures for the new library and planned useful life of the asset categories.
  - Detail monthly financial reports instead of high-level summary.
- Shadow payroll process and implement a system of checks and balances for hours tracking, manual entry of payroll data, and new employee entry.
- Drive the execution of accrual-based month-end close:
  - Maintain monthly journal entry posting and associated schedules (prepaids, depreciation, accrued liabilities, interest, etc.)
  - Analyze expenses that qualify as prepaid expenses
  - Record accumulated depreciation for Fixed Assets monthly
  - Record any accrued expenses at each period end
  - Reconcile charges placed on gas accounts
  - Perform balance sheet reconciliation across major accounts
  - Perform bank and credit card reconciliations
    - Maintain Excel expense categorization spreadsheet
    - Appropriate categorized expenses for the month
    - Match invoice payments with open invoices

### **Optimize processes**

- Evaluate efficacy of Mayville's Chart of Accounts and work with Angie to execute improvements to better portray how key stakeholders analyze the business. Below are areas Sikich will investigate:
  - Use of activity-level coding for breakout of different revenue streams
  - Review setup for consolidation and / or breakout of accounts needed
- Map out Roles and Responsibilities of Comptroller's office and realign core responsibilities back to the department, such as EMS invoicing to be performed by Comptroller's office.
- Implement accrual-based accounting with the creation and implementation of proper balance sheet reconciliation process under the oversight of Angie. Financial statement lines Sikich will investigate and consider include, but are not limited to:
  - Analysis of expenses that qualify as prepaid expenses
  - Determination of Fixed Assets and establish Mayville's capitalization policy for fixed assets
  - Record depreciation monthly for all asset categories
  - Record of accrued expenses at each period end

### **Document optimized processes**

- Develop and implement a month-end close checklist with owners and dates to drive accountability and transparency
- Review current controls and assist Mayville in establishing new accounting controls as needed
- Document Core accounting procedures in a Standard Operating Procedure Manual
- Map out all core processes (e.g., AR, AP, Expense Management, Month-end close, etc.) and improve efficiency and optimization of key processes

### **Phase 3: Optimize finance for scalable growth**

During this phase, Sikich will continue to build on the day-to-day accounting fundamentals with Mayville's team but will also begin to assist Mayville in refining processes, developing a formal financial reporting package, and working with Angie to develop the accounting/finance function to be successful and sustained.

The goals and optimization tactics during this phase would include such aspects as the following:

#### **Drive monthly reporting**

- Develop, with Mayville, a comprehensive monthly financial reporting package with dashboard, comparative views, budget versus actual, and key financial/operational metrics (KPI's)
- Assist Angie in preparation for Finance Committee meetings by implementing monthly internal financial review meetings, overseen by Angie, which will cover:
  - P&L trends and analysis (month-to-month, year over year, YTD comparisons)
  - Balance Sheet trends
  - Cash projections
  - KPI reporting

#### **Provide enhanced visibility into the City of Mayville**

- Develop a 13- or 26-week cash flow model that is updated weekly with bank transactions and updated projection assumptions. This will be impactful in conjunction with a forecast that can drive better operational awareness and decision-making for Angie.

#### **Other Hourly Scope Available (not included in Project Timeframe & Fees)**

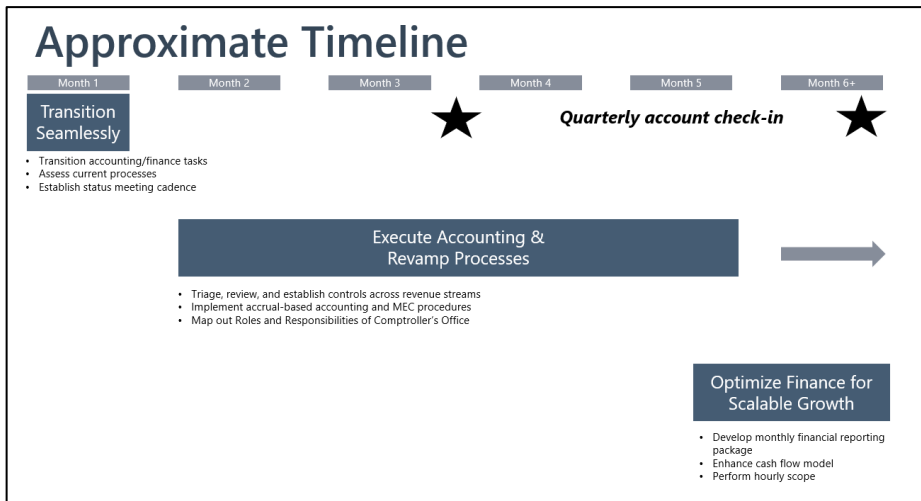
- Assist in developing an annual budget with internal structures to conduct periodic reviews and compare to actuals. This will help drive visibility and accountability across departmental/functional leaders.
- Services related to annual reviews and/or audits
- Preparation of 1099s

# Project Timeframe & Cost

## Timeframe

Sikich recommends we engage on a Time and Material basis for at least the first 5-6 months to perform clean-up work and process improvement. Once we establish a steady-state department, we can transition to a monthly fixed fee engagement.

Once we have a signed Master Services Agreement (MSA), we are prepared to start executing on our work within 3-4 weeks.



## Hours

We anticipate a minimum of 70-80 hours per month during this period of time.

## Rate

All hours incurred will be assessed based on the rate table below:

Position/Role	Hourly Rate
Director	\$250
CPA / Sr. Manager	\$175
Manager	\$160
Sr. Analyst	\$125
Analyst	\$95
Associate	\$85

## Estimated Fee

Sikich estimates the monthly fee to be between \$8,000 - \$10,000 per month with a monthly floor of \$7,000. We can establish a mutually agreed upon “Do Not Exceed” (“DNE”) threshold.

## **Technology Fee**

A technology fee equal to 2.5% of each month's services fee will be applied on each monthly invoice. By applying a monthly technology fee instead of including in Sikich's rates, Sikich can keep our fee structure competitive and transparent. The technology fee covers technology used to perform our roles, such as project management, resource management and reporting to our clients.

## **Expenses**

Any expenses the Sikich team incurs are billed directly to the City of Mayville for reimbursement, including mileage and travel expenses to the City of Mayville's offices. In the current remote work environment, we do not anticipate the need to incur expenses. Once that starts to change, we will seek prior approval before incurring any expenses.