

Encl. #12.13  
September 24, 2015



**Business Office**  
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TO: Board of Education  
FROM: Katy Buzzetti, School Business Administrator *KB*  
DATE: September 24, 2015  
RE: Corrective Action Plan – Extraclassroom Activity Funds

Below is the Corrective Action Plan (CAP) for the Extraclassroom Activity Funds for the year ending June 30, 2015.

**Annual Financial Report –**

An annual financial report summarizing the beginning balance, total receipts for the year, total disbursements for the year, and the ending balance for each club was not prepared.

*The School Business Administrator will develop the format for this report and meet with each Central Treasurer regarding its completeness by each year end going forward.*

**Student Involvement –**

As required by the New York State Education Department, student involvement is a key component in the educational experience of the students in the operation of the student activity funds. This includes the preparation of profit and loss statements for fundraising events, involvement in the preparation of receipts and disbursements, and maintaining a separate set of books. Based on our testing, we did not identify any profit and loss statements prepared for fund raising events for all clubs, as well as limited involvement with the students in the receipts and disbursements, and maintenance of a separate set of books with the Athletic activities.

*The School Business Administrator will work with the Central Treasurers on the implementation of profit and loss statements for fund raising events, ensuring students are involved in the process of preparing receipts and disbursements, and maintaining a separate set of books.*

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**Quality Education for All**

The Mission of the Horseheads Central School Community is to provide a quality education for all within a nurturing environment which promotes excellence, growth, and a sense of civic responsibility.

#### Cash Disbursement Procedures –

During our review over the cash disbursement procedures we noted several instances where the Central Treasurer was signing a payment order as an authorized signature or one of three required signatures were not present on the payment order.

*The School Business Administrator will remind the Central Treasurers that they are not to authorize any payments and that authorization of payments should include the student treasurer, faculty advisor, and the Chief Faculty Advisors signatures. The Central Treasurer should only process a transaction for payment once the three required signatures have been obtained along with adequate supporting documentation.*

#### High School:

##### General Accountability –

Our examination revealed that the Central Treasurer is also the Faculty Advisor for the Student Council.

*This arrangement provides for limited internal controls, therefore, the District will consider appointing a different individual to be the Faculty Advisor for the Student Council.*

##### Disbursements Examination –

We noted the Yearbook Club made a payment to a vendor in the amount of \$2,200 where there was no invoice that could be located to support the purchase.

*All Central Treasurers will be reminded that all payment orders should be adequately supported by original vendor invoices or receipts as a prerequisite to being processed for payment by the Central Treasurer.*

#### Other Item:

##### Policies and Procedures –

The New York State Education Department updated their Accounting Manual for Student Activity Funds in 2015, which outlines the various rules and regulations for the operation of Student Activity Funds.

*This document has previously been distributed to the Central Treasurers by the School Business Administrator. The District will review and compare the current Board Policies and Procedures to the State Education Department's document to ensure all clubs are operating in accordance with these guidelines and that District Policies and Procedures have been updated to include all relevant items.*

**Thank you.**

**C: Dr. Thomas J. Douglas, Superintendent of Schools  
Tom Zuber, External Auditor  
Linda Klievoneit, District Treasurer  
Karen Donahue, High School Principal  
Ron Holloway, Middle School Principal  
Bert Conklin, Director of Athletics  
Julie Kephart, Internal Auditor  
Scott Arnold, CBO Controller  
Ann Pirozzolo, CBO Accounting Manager**