



Encl. #09.16
September 29, 2016

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TO: Board of Education
FROM: Katy Buzzetti, School Business Administrator
DATE: September 29, 2016
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, 2016.

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 only identified one profit and loss statement prepared for fund raising events for all clubs. In addition, there was 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.

At the start of 2016-17 school year, the structure of the Athletic Clubs were changed in that Varsity H is the one over-arching club over all sports. Varsity H will have a group of elected student officers and student treasurer. Each sport will nominate a Varsity H representative who will attend Varsity H meetings on behalf of his or her respective sport and present any requests of the sport to the Varsity H officers.

Disbursement –

During our review of 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.

Central Treasurers will be reminded that they are not to process any payments that do not have the required signatures. Authorization of payments should include the signatures of the student treasurer, faculty advisor, and chief faculty advisor. The Central Treasurer should only process a transaction for payment once the three required signatures have been obtained along with adequate supporting documentation.

The School Business Administrator has revised the disbursement forms so that they specifically state the required signatures. These new forms were distributed to the Central Treasures to distribute to their faculty advisors for immediate implementation.

Reconciliations –

During the course of our examination, we noted six instances in the Athletics Department, four instances in the High School, and one instance in the Middle School, in which there was no reconciliation prepared for items sold to the total receipts collected.

The School Business Administrator will review the process of reconciling the number of items sold to the total cash collected with the Central Treasurers and Faculty Advisors. A form will be created for this reconciliation and must be turned in to the Central Treasurer with each deposit.

Sales Tax –

During the course of our examination, we noted four instances in the Athletic Department and one instance in the High School where sales tax was not paid on taxable purchases.

The School Business Administrator send out information regarding New York State Sales Tax Law regarding payment of sales tax on purchases which are not intended for resale.

Donations –

During the course of our examination, we noted that clubs at the Middle School, High School, and the Athletic Department made donations or gave gifts without a majority of club members indicating approval to donate club funds.

Clubs will be reminded that all donations must be approved by a majority of the respective club members and be documented in the meetings minutes.

Receipts –

Our examination revealed two instances in the Middle School and three instances in the Athletic Department where receipts were not deposited in a timely manner.

Central Treasurers will be reminded of the importance of timely deposits in order to maintain accountability and control over receipts.

Athletics Department:**Gift Cards –**

During the course of our examination, we noted that the Summer Camp purchased \$2,300 in gift cards for workers. There was no signed documentation indicating the individuals received the gift cards.

District Administration will determine the appropriateness of giving gift cards to student workers. If it is determined to be appropriate, all such gifts must be supported with documentation signed by the recipient indicating receipt of the gift or prize.

Raffle –

We noted that the Girls Swimming Team held a TV raffle.

According to Section 186 of the General Municipal Law, only a nonprofit charitable organization that has been issued a games of chance identification number form the Racing and Wagering Board is eligible to conduct a raffle. Clubs will be reminded of this and instructed that any event that involves gambling or games of chance is not permitted.

Disbursements –

Our review of disbursements revealed one instance in the Baseball Club and one instance in the Boys Lacrosse Club where items purchased were shipped to the Coach's house instead of the District.

All club advisors will be instructed that all purchases must be shipped to the District, not to a personal residence.

Other Item:

Inactive Clubs –

As indicated on the statement of cash receipts and disbursements, the Cross County, Soft Scholarship, Spring Track, Winter Cheerleading, and the Middle School Yearbook Club were financially inactive during the 2015-16 fiscal year.

The School Business Administrator will review these clubs with the Central Treasurers and will closed them if future activity is not anticipated.

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