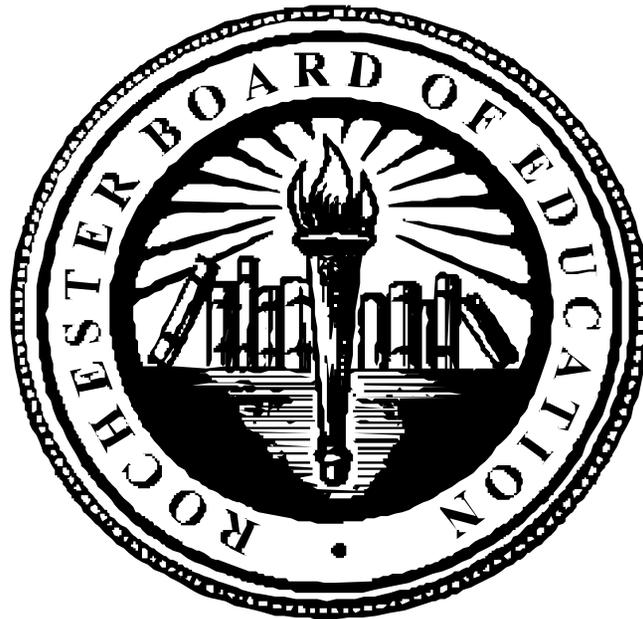


OFFICE OF AUDITOR GENERAL



Enrico Fermi School No. 17 – Elementary Activity Account
and Student Activity Fund



Enrico Fermi School No. 17 – Elementary Activity Account and Student Activity Fund Executive Summary

OBJECTIVE

To evaluate the control environment for Elementary Activity Funds and Student Activity Funds at Enrico Fermi School No. 17. To determine if the proper controls are in place to manage Elementary Activity Accounts (EAA) and Student Activity Funds (SAF).

BACKGROUND

New York State Regulations of the Commissioner of Education established guidelines for Student Activity funds raised by students for the benefit of students. The District has also created Elementary Activity Accounts (EAA) to account for funds within an elementary building, when the student's age makes it difficult to comply with regular Student Activity requirements. Enrico Fermi School No. 17 maintains an Elementary Activity Account and Student Activity Funds. The District has established a supplemental reference guide to facilitate proper handling of Student Activity Funds and Elementary Activity Accounts. In EAA's, officers, student-based decision making and the administrative responsibilities are fulfilled by an activity advisor. For students in sixth grade and higher, a SAF is utilized and monies are collected voluntarily by pupils and are spent by them, as they see fit, in compliance with established regulation. Finance Pamphlet 2 was created by NYSED to facilitate expectations for managing Student Activity Funds. Schools should be familiar with the available guidance established for proper administration of school funds.

SCOPE

We evaluated the school's compliance with the established guidelines and alignment with the intended purpose of Student Activity Funds and Elementary Activity Accounts. Inventory, cash management and bookkeeping processes were also evaluated to ensure existence of adequate internal controls.

CONCLUSION

School 17 lacked compliance with the District's Reference Guide for Student Activity Funds and Elementary Activity Accounts and Finance Pamphlet 2. Adequate controls did not exist over cash receipts and cash disbursements. Non-compliance was noted in the establishment and renewal processes, meetings, fundraising, sales tax and cash management. Lastly, two sets of books are not adequately maintained for the Student Activity Funds.

MANAGEMENT ACTION PLAN

Management has met with the Office of Auditor General and understands the observations and recommendations included in this report. The School Treasurer with Principal support will actively work to improve the controls and monitoring for the Elementary Activity Account and Student Activity Fund. We will improve our compliance with required protocols for establishing and renewing clubs and comply with the guidance regarding meeting minutes, fundraising, sales tax, inventory and general cash management practices. We will also work to improve our recordkeeping and ensure two sets of books are maintained.



**Enrico Fermi School No. 17 – Elementary Activity Account
and Student Activity Fund
Summary of Recommendations**

Rec #	Recommendations
1	<i>Ensure proper dissemination of the Reference Guide for Student Activity Funds and Elementary Activity Accounts, and Finance Pamphlet 2. Enforce compliance with these procedures manuals. Utilize the standard forms for all Student Activity Funds and Elementary Activity Accounts.</i>
2	<i>Monitor student clubs and activities for compliance with Student Activity Fund and Elementary Activity Accounts requirements.</i>
3	<i>Enforce compliance with the Reference Guide for Student Activity Funds and Elementary Activity Accounts for the establishment and renewal of Student Activity Funds and Elementary Activity Accounts. Ensure all new and existing Student Activity Funds and Elementary Activity Accounts meet the requirements as defined by Regulations of the Commissioner of Education.</i>
4	<i>Enforce compliance with the Reference Guide for Student Activity Funds and Elementary Activity Accounts, and Finance Pamphlet 2 for meeting requirements of Student Activity Funds. Develop a monitoring process to ensure monthly meetings are occurring and required documentation is maintained. Ensure meeting minutes are submitted to the School Treasurer monthly.</i>
5	<i>Enforce compliance with fundraising requirements for Student Activity Funds and Elementary Activity Accounts. Obtain Principal approval of fundraising activities in advance of holding the event and ensure the Request for Approval of Fundraising Activity form is completed and maintained. Ensure budgets and profit and loss statements are prepared to account for each fundraising activity.</i>
6	<i>Ensure compliance with New York State sales tax regulations for Student Activity Fund and Elementary Activity Account purchases and sales. Report sales tax collected and due in SchoolCash.NET for inclusion in consolidated District filings. Retain supporting documents to evidence sales taxes paid.</i>
7	<i>Implement cash receipt procedures that ensure all funds collected are adequately supported and receipts are appropriately provided and retained.</i>
8	<i>Deposit Elementary Activity and Student Activity Funds with the School Treasurer regularly. Perform regular bank deposits. Discontinue accumulating cash in the safe for extended periods of time before depositing. Deposit all funds currently in the safe.</i>



**Enrico Fermi School No. 17 – Elementary Activity Account
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Summary of Recommendations**

Rec #	Recommendations
9	<i>Deposit all cash receipts into the Elementary Activity Fund bank account. Ensure all expenditures are paid by check and discontinue the use of cash payments. Ensure all transactions are reported into the accounting system.</i>
10	<i>Enforce the cash disbursement controls as defined in the Reference Guide for Student Activity Funds and Elementary Activity Accounts, and Finance Pamphlet 2. Ensure that all checks have dual signatures. Adhere to sales tax regulations for extra-classroom activities.</i>
11	<i>Develop a standardized process for maintaining account ledgers for Student Activity Funds and Elementary Activity Accounts. Reconcile the club account ledgers with the School Treasurer's bookkeeping records from SchoolCash.NET. Maintain documentation to support all transactions. Document and correct reconciling differences identified.</i>
12	<i>Ensure the bank reconciliations are properly dated with the date they are actually reviewed by the School Treasurer and Principal.</i>