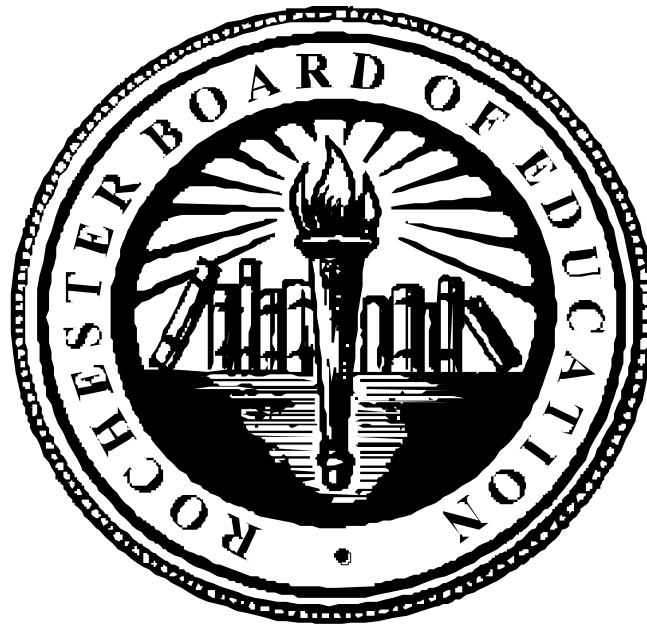


# OFFICE OF AUDITOR GENERAL



Integrated Arts & Technology High School - Student Activity Funds



## **Integrated Arts & Technology High School - Student Activity Funds Executive Summary**

### **OBJECTIVE**

To determine if Integrated Arts & Technology High School is complying with the Reference Guide for Student Activity Funds and Finance Pamphlet 2 for maintaining proper internal controls to manage Student Activity Funds.

### **BACKGROUND**

Student Activity Funds are mandated by the Commissioner of Education as funds raised by students for the benefit of students. Monies are usually collected voluntarily by pupils and are spent by them, as they see fit, in compliance with established regulations. The District has established a Reference Guide for Student Activity Funds to facilitate compliance. In addition, Finance Pamphlet 2 was created by NYSED to facilitate expectations for managing these funds. Schools should be familiar with these manuals and procedures within.

### **SCOPE**

We obtained an understanding of the processes and controls in place for Student Activity Funds. We evaluated the school's compliance with the established guidance. Alignment with the intended purpose of Student Activity Funds, inventory, cash management and bookkeeping processes were also evaluated to ensure existence of adequate internal controls.

### **CONCLUSION**

Student Activity Funds are intended to provide schools with the opportunity to teach students good business procedures through participation in handling funds and operating a successful business. Overall, a lack of compliance with the District's Reference Guide for Student Activity Funds and Finance Pamphlet 2 was noted. Compliance issues were identified in the establishment and renewal processes, meetings, fundraising, and cash management. Adequate controls did not exist over inventory, cash receipts and cash disbursements. 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 various observations included in this report. The School Treasurer with Principal support will actively work to improve the controls for Student Activity Funds. We will improve our compliance with monitoring procedures, 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.



## Integrated Arts & Technology High School - Student Activity Funds Summary of Recommendations

Rec #	Recommendations
1	<i>Ensure proper dissemination of the Reference Guide for Student Activity Funds and Finance Pamphlet 2. Enforce compliance with these procedures manuals. Require training by the Accounting Department for all school staff with Student Activity Fund responsibilities.</i>
2	<i>Monitor student clubs and activities for compliance with Student Activity Fund requirements.</i>
3	<i>Enforce compliance for establishing and annual renewal of Student Activity Funds. Ensure all new and existing Student Activity Funds meet the requirements as defined by Regulations of the Commissioner of Education. Update the Club Information and Authorization Form for any changes to student officer or club advisor assignments.</i>
4	<i>Enforce compliance with guidelines for meeting requirements for Student Activity Funds. Develop a monitoring process to ensure monthly meetings are occurring and students are engaged in club business management. Maintain meeting minutes which should include attendance, discussions and action items. Ensure the School Treasurer obtains meeting minutes from all clubs monthly and monitor to ensure monthly meetings are occurring.</i>
5	<i>Enforce compliance with fundraising requirements for Student Activity Funds. Ensure the Request for Approval of Fundraising Activity form is completed and approved for all fundraising activities prior to the event. 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 purchases and sales. Report sales tax collected and due in SchoolCash.NET on a timely basis for inclusion in consolidated District filings. Retain supporting documents to evidence sales taxes paid.</i>
7	<i>Develop a standardized process for the tracking of inventory for all Student Activity Funds. Perform physical counts on a regular basis. Reconcile inventory counts and investigate discrepancies.</i>
8	<i>Implement cash receipt procedures that ensure all funds raised are deposited, adequately supported, and receipts are appropriately provided and retained.</i>
9	<i>Ensure the frequent and timely deposit of cash to the School Treasurer and to the bank.</i>



## Integrated Arts & Technology High School - Student Activity Funds Summary of Recommendations

Rec #	Recommendations
10	<i>Enforce the cash disbursement controls as defined in the Reference Guide for Student Activity Funds and Finance Pamphlet 2. Ensure adequate documentation exists for all expenditures for Student Activity Funds.</i>
11	<i>Deposit all cash receipts into the Student 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>
12	<i>Reconcile the student account ledgers with the School Treasurer's bookkeeping records from SchoolCash.NET. Ensure all club financial transactions are reported by both the club and the School Treasurer. Document and correct reconciling differences identified.</i>
13	<i>Develop a year end closing procedure to ensure all Student Activity Fund records are submitted to the School Treasurer at the end of the school year. Close clubs that are no longer active.</i>