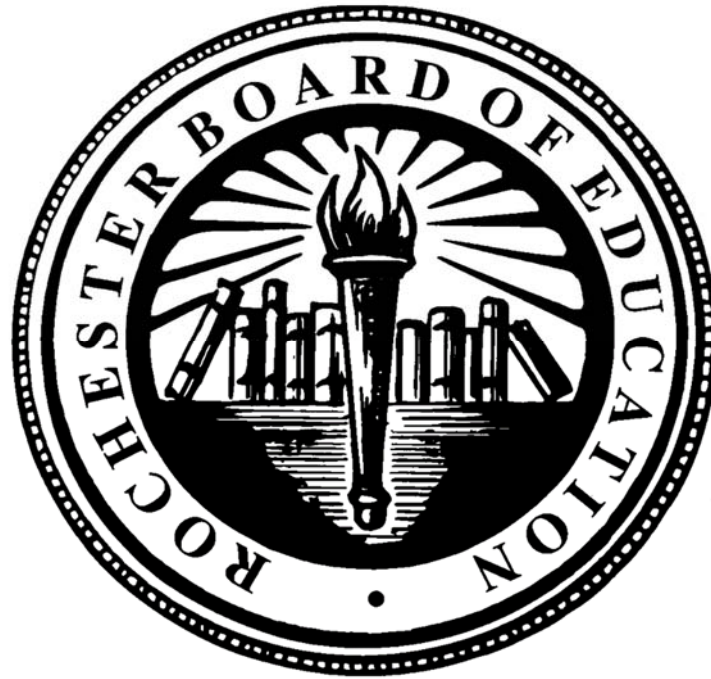
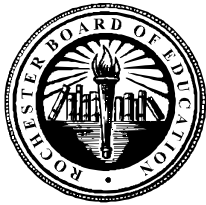


OFFICE OF AUDITOR GENERAL



Vanguard Collegiate High School – Student Activity Funds



Vanguard Collegiate High School – Student Activity Funds Executive Summary

OBJECTIVE

To determine if Vanguard Collegiate High School has established a proper operating control environment for 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 the related procedures.

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 teach students good business procedures through participation in handling funds and operating a successful business. Vanguard Collegiate High School (Vanguard) lacked compliance with established procedures for fundraising, sales tax, inventory, cash management and bank reconciliation requirements. Adequate controls did not exist over inventory, cash receipts and cash disbursements. Bank reconciliation review and approval was not completed timely. Monitoring procedures should exist to ensure protocols and procedures are followed and adequate controls are in place for all Student Activity Fund activities.

Note: The Vanguard Principal changed subsequent to our review. The findings remain relevant and will be addressed by the new building leader.

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 and supervision will improve the controls and monitoring for the Student Activity Fund. We will improve our compliance with required protocols for Student Activity Funds and comply with the guidance regarding fundraising, inventory and general cash management practices. Fundraisers will be approved prior to commencing, we will comply with the District's Wellness Policy and USDA regulations for fundraising activities, and profit and loss statements will be prepared to properly reflect net profits or losses. We will ensure sales tax is properly reflected for all sales. Inventory controls will be put in place to ensure we have an accurate account of all items for sale. We will work to improve our cash controls including the timeliness of deposits and discontinue cash payments. We will ensure the timely review and approval of bank statements.



Vanguard Collegiate 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.</i>
2	<i>Monitor activities for compliance with Student Activity Fund requirements. Monitoring activities should include reviewing minutes, provide oversight for fundraisers, actively monitor cash receipts, and ensure timely deposits.</i>
3	<i>Enforce compliance with fundraising requirements for Student Activity Funds. Obtain Principal approval of fundraising activities in advance of holding the event.</i>
4	<i>Complete profit and loss statements to account for each fundraising activity. Ensure statements include all revenues and related expenses for the relevant time period.</i>
5	<i>Ensure compliance with Board Policy and Superintendent Regulation 5405 - Wellness Policy and USDA requirements. Discontinue the sale of noncompliant snack items during lunch. Prohibit the sale of unhealthy snacks during school hours.</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.</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>Ensure the frequent and timely deposit of Student Activity Funds to the School Treasurer and the bank. Deposit Student Activity Fund cash collected with the School Treasurer and bank weekly, at a minimum, or sooner if cash collected is over \$500. Ensure cash is secured and locked and not taken home. Monitor to ensure that cash is submitted timely to the School Treasurer for bank deposit.</i>
9	<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>
10	<i>Enforce the cash disbursement controls as defined in the Reference Guide for Student Activity Funds and Finance Pamphlet 2.</i>



Vanguard Collegiate High School – Student Activity Funds Summary of Recommendations

Rec #	Recommendations
11	<i>Develop a standardized process for maintaining ledgers for Student Activity Funds. Reconcile the Club account ledgers with the School Treasurer's bookkeeping records. Ensure all supporting documentation is maintained and filed chronologically.</i>
12	<i>Ensure the timely monthly review and approval of bank reconciliations by the Principal.</i>