

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Maryville City Schools School Support Organization (Governing Body)

We have performed the procedures enumerated below, which were agreed to by Maryville City Schools (MCS) Support Organization (Governing Body), solely to assist you in evaluating the MCS Support Organization's Annual Financial Report and the MCS Support Organization's Annual Information Form for the year ended June 30, 20XX. The MCS Support Organization's management is responsible for all financial activity. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

[Include paragraphs to enumerate procedures and findings.]

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Annual Financial Report and Annual Information Form of the MCS Support Organization. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and governing body of the MCS Support Organization and the MCS Board of Education, and is not intended to be and should not be used by anyone other than these specified parties.

[Independent CPA Signature]

[Date]

The Following Agreed Upon Procedures should be performed by and Independent CPA:

1. Examine 10% of the disbursements of the School Support Organization (SSO) to ensure that they were appropriately made within the mission of the organization, and that they were properly prepared in accordance with the procedures set forth by the Model Financial Policy for School Support Organizations as presented by the Tennessee Comptroller of the Treasury.
2. Examine 10% of the collections of the SSO to determine that they were properly recorded in accordance with the procedures set forth by the Model Financial Policy for School Support Organizations as presented by the Tennessee Comptroller of the Treasury. Ensure that prenumbered receipts were issued each time a cash collection was made, in the collections selected in the audit sample, and that the collections are turned over to the treasurer acting in their official capacity in the SSO. One copy of the receipt should be maintained in the receipt book. If a mass collection is selected, ensure that the record of the total collection for the day is prepared, and that two individuals prepare and sign the count sheet, and then recounted and verified by the treasurer. Ensure that a receipt was issued to the collectors after verification.
3. Examine 25% of payments to coaches and/or support staff to ensure proper handling of tax and other benefit issues. Proper handling is defined that all SSO payments for coaches and/or support staff was disbursed from SSO funds to Maryville City School (MCS) school funds for MCS payroll processing.
4. Examine 25% of disbursements for services performed for the SSO to ensure that they are appropriate and comply with the mission of the SSO and 1099s are issued to vendors in compliance with IRS code.
5. Ensure that the SSO is registered with the Secretary of State's office as a nonprofit corporation and the applicable Federal Agencies (IRS, etc.) and are in good standing with both agencies.
6. Ensure that the SSO has completed the Support Organizations Annual Information Form and filed it with the MCS Finance Department.
7. Ensure that the SSO has obtained and used its own Employer Identification Number and/or sales tax exemption number in the sampled transactions.
8. Ensure that the SSO has identified the authorized banking institution, bank account, and authorized signatories in the minutes of the SSO annually.
9. Ensure that the SSO has annually authorized and identified any use of debit cards; credit cards; PayPal type accounts; wire transfers; and ACH transactions. If debit, credit, wire transfers or ACH transactions are utilized by the SSO then CPA to verify that these types of transactions are authorized at least on an annual basis by the SSO officers/board of directors as evidenced in official meeting minutes. The minutes must specify that the SSO officers and board members were not only made aware that such type of transactions are utilized by the SSO but also that authorizing the acceptance of these transactions without adequate accounting policies and internal controls increases the risk that fraud may occur and that the SSO has written adequate internal controls in place and the officers/board has reviewed these written internal controls.

10. CPA will request a copy of the written internal controls that the SSO has in place over debit cards; credit cards; PayPal type accounts; wire transfers; and ACH transactions, if these type of transactions are being utilized, and will verify during the disbursement test work (as outlined in procedures #1 through #4) are in compliance with these written internal controls. CPA will note in his/her report if there are issues of non-compliance.
11. Ensure that the bank account(s); debit card(s); credit card(s); PayPal or similar account(s); securities; or any other investments are in the name of the SSO with the appropriate Employer Identification Number.
12. Ensure that any property (vehicle, computers, land, etc.) is properly titled to the SSO.
13. Ensure that any materials, supplies, and fundraising product inventory are stored at a location and manner to prevent spoilage or pilfering, and that an effort is made to account for such items that are considered inventory.
14. Ensure that all check disbursements have an original invoice or receipt to document the authenticity of the disbursement, and that checks are not pre-signed.
15. Ensure that each check disbursement selected has a receipt or invoice filed by check number. The support should include the check number and date paid. If a receipt or invoice is not available, ensure that there is an explanation as to why no other documentation is provided.
16. Ensure that all purchases made by debit card and/or credit card have original invoices and receipts that are reconciled to and filed with bank account debit and credit card statements.
17. Ensure that transactions related to the PayPal or similar account have a listing supported by original vendor invoices or receipts.
18. If the SSO operates a concession stand or parking services at a school event, ensure that the SSO provided the school with all relevant collection records required by the Internal School Uniform Accounting Policy Manual.
19. Ensure that the deposits selected are deposited in a timely manner, and that individual checks are itemized on the deposit slip.
20. Ensure that the Treasurer provides a signed summary of collections and disbursements to organization offices on a monthly basis. The summary must be supported by detailed transaction records and agree with bank statements.
21. Ensure that bank accounts are reconciled promptly, and that a copy of the bank statements and imaged checks are included in the minutes of the SSO.
21. Ensure that all collection records, bank statements, canceled checks, and invoices along with copies of the treasurer's report are organized and maintained by the treasurer by fiscal year for at least four years.
22. Ensure that the SSO maintains documentation of any written conditions on any donations to the board of education or the school.
23. Ensure that the SSO has properly reported any fraud or suspected fraud to the TN State Comptroller, Division of Local Government Audit, as well as reporting this to the MCS Finance Department, in a timely manner. The Independent CPA should report any fraud or suspected fraud identified during their agree upon procedures work to the MCS Finance

Director, as well as the TN State Comptroller, Division of Local Government Audit, within five working days.