



MEDINA CENTRAL SCHOOL DISTRICT

BUSINESS OFFICE

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Marc P. Graff
Assistant Superintendent

CORRECTIVE ACTION PLAN YE2020 EXTRACLASROOM ACTIVITY FUNDS

IRS Form 1099

Our examination revealed that there is no process in any of the buildings for tracking individuals receiving payments in excess of \$600 in a calendar year for appropriately issuing an IRS Form 1099. We recommend the District implement a process to ensure compliance with IRS regulations pertaining to the issuance of IRS Form 1099 when required.

District Response: The District has developed an advisor handbook which includes a section on this topic. The FFA advisor will be directed to follow these guidelines, during an individual meeting with the High School Principal. The Audit Committee has requested that the High School Principal provide documentation of this and future "check ins" with the advisor.

Date Completed: February 2021 and ongoing

Vending Machine

Our examination revealed that the FFA and the JR FFA clubs did not prepare a formal reconciliation of milk sold to total cash collected on a regular basis. In an effort to improve accountability and control, we recommend the preparation of a reconciliation of items sold to total cash collected from the vending machine.

District Response: The Principals will meet with the FFA advisors to review expectations and responsibilities. This meeting must result in a process to properly account for this activity. The Audit Committee has requested that the Principals provide documentation of this and future "check ins" with the advisors.

Date Completed: No later than June 30, 2021

AP Fund

Our examination revealed that the AP Fund does not appear to meet the criteria to be an extraclassroom activity according to New York State Finance Pamphlet No. 2, The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds due to its lack of student participation and purpose. We commend the District for transferring a portion of the cash balance to other clubs in order to dissolve the account, however, there is a \$3,400 balance at the end of the 2019-20 fiscal year. We recommend the Administration examine the purpose and the activities performed by this club to determine if it meets the criteria of extraclassroom activity funds.

District Response: The AP Fund was closed in July 2020 and remaining funds were distributed to the other student activity funds. All financial activity now flows through the District Treasurer's Office.

Date Completed: February 2021

Disbursements

During the course of our examination we noted the following items in which expenses were made without the support of club meeting minutes.

1. Athletic Council – guest speaker
2. Athletic Council – weight room equipment
3. SAVI-2 – staff lunch
4. Student Association – Halloween cash prizes

Exemplify excellence in education

We recommend all payments of this nature be supported by club meeting minutes indicating student authorization.

District Response: The High School Principal will meet with all advisors each year to discuss process and responsibilities. This will include review of the advisor handbook, which outlines these mandatory procedures. The Audit Committee has requested that the High School Principal provide documentation of this and future "check ins" with the advisors cited in this audit.

Date Completed: February 2021 and ongoing.

Class of 2020

During the course of our examination, we noted the following items:

1. The Student Treasurer is not involved in maintaining a separate set of books
2. The Student Treasurer is not involved in counting receipts
3. Receipts from cookie sales were brought down to the Central Treasurer for deposit once a month.

We recommend the Administration review these items and implement the necessary corrective action during this next fiscal year.

District Response: The High School Principal will meet with all advisors each year to discuss process and responsibilities. This will include review of the advisor handbook. For cookie sales, deposits will be made each day the event takes place. The Audit Committee has requested that the High School Principal provide documentation of this and future "check ins" with the advisor.

Date Completed: February 2021 and ongoing.

Bank Reconciliations

The Senior High School monthly bank reconciliations did not appear to be signed and reviewed by an individual independent of the process.

We recommend upon completion, monthly bank reconciliations should be reviewed and signed by an individual independent of the process.

District Response: High School bank reconciliations will be sent to the District Treasurer for review.

Date Completed: February 2021 and ongoing

FFA

During the year, the FFA Club held several different fundraisers at once for citrus, cheese, and knife sales. All deposits were labeled as "citrus" on the ledger, and we were unable to verify the deposits by event. In addition, the knives appear to be taxable, and it does not appear that tax was remitted to New York State based on the gross receipts from the sale.

We recommend these items be reviewed and the appropriate corrective action be implemented during the 2020-21 fiscal year.

District Response: The District has developed an advisor handbook which includes a section on sales tax. The FFA advisor will be directed to follow these guidelines, during an individual meeting with the High School Principal. The Audit Committee has requested that the High School Principal provide documentation of this and future "check ins" with the advisor.

Date Completed: February 2021 and ongoing

Monthly Vendor Statement

Our examination of selected disbursement transactions at the Senior High School revealed one instance in the FFA Club in which a payment was made from a monthly vendor statement.

In an effort to improve internal accounting control and avoid duplicate payments, all payment orders should be adequately supported by original vendor invoices or receipts prior to being processed for payment by the Central Treasurer.

District Response: The District has developed an advisor handbook which includes a section on proper documentation. The FFA advisor will be directed to follow these guidelines, during an individual meeting with the High School Principal. The Audit Committee has requested that the High School Principal provide documentation of this and future "check ins" with the advisor.

Date Completed: February 2021 and ongoing

Activities Account

Our examination revealed that a separate set of books is not being maintained by the Student Treasurer for the Activities Account.

We recommend the Student Treasurer together with the Faculty Advisor maintain a separate set of books to be reconciled with those maintained by the Central Treasurer on a regular basis.

District Response: The age of the children in this building make it difficult to meet this requirement; however, the Elementary School Principal will work with the advisor to develop a plan to address this situation.

Date Completed: No later than June 30, 2021.

Inactive Clubs

As indicated on the statement of cash receipts and disbursements, the Senior High School AVID Club, Senior High School FFA-Memorial Fund, the Senior High School Girls Basketball Club, the Senior High School Medina Track Team, the Senior High School Photography Club, the Wise Middle School Gettysburg Club, the Wise Middle School Musical Program, and the Wise Middle School Square 1 Art Club were financially inactive during the 2019-20 fiscal year.

We recommend the status of these clubs be reviewed. If future financial transactions are not anticipated, they should be closed in accordance with the Board of Education policy.

District Response: Several of these clubs were impacted by the COVID-19 shutdown, which caused them to remain inactive for 2020. The building administrator responsible for each of these clubs will gather information from the advisor to determine if these accounts can be closed out.

Date Completed: No later than June 30, 2021

Sincerely,



Marc P. Graff
Assistant Superintendent

CC: Building Principals