

**DANSVILLE CENTRAL SCHOOL DISTRICT**

**CORRECTIVE ACTION PLAN FOR**

**Extraclassroom Activities Funds**

**For Year Ended June 30, 2024**

## **Current Year Deficiencies in Internal Control:**

### **Disbursements** –

Our examination revealed one instance in the Elementary School Student Council a payment for faculty meeting food was made when the club voted not to do so.

We recommend all purchases made from club funds be approved by the club and documented in club meeting minutes.

#### **Corrective Action:**

During the 2023-2024 school year, the Elementary Principal told the Elementary School Student Council they would provide snacks for a faculty meeting. According to the Student Council Adviser, students voted against this because they were told and not asked. The Deputy Superintendent (Thomas Frazier) will inform principals that student activity funds cannot be used to purchase gifts for staff. Additionally, student activity money cannot be expended from an extraclassroom account without approval from the club, which must be documented in club meeting minutes. The Deputy Superintendent (Thomas Frazier) and District Extraclassroom Treasurer (Christine Atwell) will address this with extraclassroom treasurers at their annual training on December 13, 2024.

### **Cash Receipts** –

Our examination revealed two instances National Honor Society where cash receipts were not taken to the bank for deposit in a timely manner.

In an effort to safeguard receipts and maintain accountability and control, we recommend every effort continue to be made in the future to make deposits in a more timely manner.

#### **Corrective Action:**

This is a part of our annual training provided to extraclassroom treasurers and is also in our extraclassroom training presentation. The Deputy Superintendent (Thomas Frazier) and District Extraclassroom Treasurer (Christine Atwell) will address this with extraclassroom treasurers at their annual training in January 2025.

### **Fundraisers** –

During the course of our examination, we noted three instances (DHS Student Council, Class of 2024, and DHS FBLA) where sales tax was calculated incorrectly for a fundraiser.

We recommend every effort continue to be made to comply with New York State Sales Tax Law.

#### **Corrective Action:**

The District appointed an experienced district-level extraclassroom treasurer on July 1, 2024. This individual has a solid understanding of New York State Sales Tax Law and will provide support to the building-level extraclassroom treasurers. Additionally, the Deputy Superintendent (Thomas Frazier) and District Extraclassroom Treasurer (Christine Atwell) will emphasize this at the annual training with building-level extraclassroom treasurers in January 2025.

## **(Current Year Deficiencies in Internal Control) (Continued)**

### **Sales Tax** –

Our examination revealed one instance in the DHS Student Council and one instance in the Elementary Yearbook club in which sales tax was paid on items that were intended for resale, rather than remitting sales tax on gross sales. In addition, we examined one instance in the Elementary Band in which sales tax was not paid on a taxable purchase.

We recommend every effort be made to issue resale certificates (Form ST-120) to vendors when making purchases of merchandise intended for resale and to collect sales tax upon the resale of merchandise. According to the New York State Department of Taxation and Finance, extraclassroom activity funds of public schools are not included in the exemption granted to school districts under section 1116(a)(1) of the tax law.

### **Corrective Action:**

This will be added to the extraclassroom training presentation and will be highlighted when Deputy Superintendent (Thomas Frazier) and District Extraclassroom Treasurer (Christine Atwell) provide the annual training to building-level extraclassroom treasurers on January 2025.

### **Prior Year Recommendations:**

We are pleased to report that the following prior year recommendations have been implemented to our satisfaction:

1. Profit and loss statements were prepared for all fundraisers examined.
2. Starting change funds were obtained through appropriate measures.
3. Adequate supporting documentation was available for all disbursements examined.
4. Club meeting minutes were documented for all gifts or donations examined.

### **Contact Person:**

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