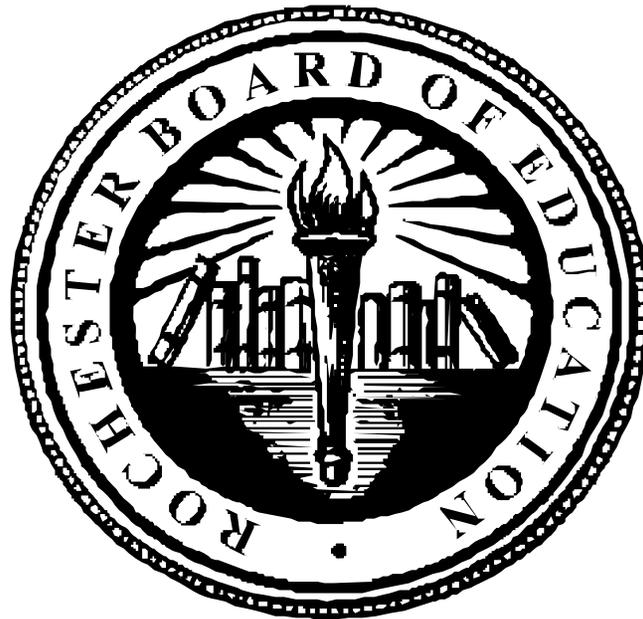


OFFICE OF AUDITOR GENERAL



Wilson Magnet High School - Student Activity Funds



Wilson Magnet High School - Student Activity Funds Executive Summary

OBJECTIVE

To determine if Wilson Magnet 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 decision making, 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, sales tax 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 and bank reconciliation review and approval is not completed timely.

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.



Wilson Magnet High School - Student Activity Funds Summary of Recommendations

Rec #	Recommendations
1	<i>Enforce compliance with policies and procedures set forth in the Reference Guide for Student Activity Funds and Finance Pamphlet 2. Utilize standard forms for all Student Activity Funds.</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. Ensure all forms are forwarded to Accounting for review and approval.</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.</i>
5	<i>Enforce compliance with fundraising requirements for Student Activity Funds. Obtain Principal approval of fundraising activities in advance of holding 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 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 promptly deposited, adequately supported, and receipts are appropriately provided and retained. Ensure all deposits are accurately reported in SchoolCash.Net.</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. Ensure adequate documentation exists for all expenditures for Student Activity Funds.</i>



Wilson Magnet High School - Student Activity Funds Summary of Recommendations

Rec #	Recommendations
11	<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. Maintain documentation to support all transactions. Document and correct reconciling differences identified.</i>
12	<i>Ensure the timely review and approval of bank reconciliations by the Principal.</i>