Rye Neck UFSD
Extraclassroom Internal Audit Corrective Action Plan

Area	Summary Finding	Details	District Response & Corrective Action	Timeline
Cash Receipts	More supporting documentation needs to be provided to the Central Treasurer for their files for cash receipts	We recommend that the District require all extraclassroom activity cash receipts submitted to the Central Treasurer by extraclassroom activity clubs include supporting documentation, such as copies of checks, receipt logs, or other relevant evidence of funds collected. Procedures should be established to ensure that deposits are not accepted or processed by the Central Treasurer without adequate supporting documentation to accompany the deposit.	Club advisors retain support for all cash deposits. The Central Treasurer has copies of checks with deposits. In instances where the deposit is not checks (i.e. cash) the club advisor will provide supporting evidence of funds collected; Central Treasurer will reject incomplete submissions.	Immediately
Cash Receipts	No required student signature on deposit forms	We recommend revising the “Deposit to Student Account” form to include a designated signature line specifically for a student, and a separate line for review by either the Faculty Advisor or Principal, so as to ensure compliance with the published guidelines governing the proper procedures and policies governing the extraclassroom accounts and transactions.	Revise "Deposit to Student Account" forms to require student and advisor/principal signatures.	9/2026
Cash Receipts	More fundraiser profit/loss tracking needed	We recommend that the District establish a procedure to prepare formal profit and loss statements for all qualifying fundraisers to track revenue and expenditures as recommended by NYSED.	Develop and implement standardized P&L form for applicable fundraisers.	9/2026
Disbursements	No required student signature on disbursement forms	We recommend revising the “Check Request From Student Account” form to include a designated signature line specifically for a student, and a separate line for review by either the Faculty Advisor or Principal, so as to ensure compliance with the published guidelines governing the proper procedures and policies governing the extraclassroom accounts and transactions.	Revise forms to require student and advisor/principal signatures.	9/2026
Disbursements	No documented IRS 1099 tracking procedure	We recommend the District implement a formally documented procedure to identify and track all payments to vendors through the extraclassroom activity fund to determine which vendors meet the IRS reporting requirement threshold.	Document a process and results for vendor tracking and 1099 compliance procedures.	12/2026
Disbursements	Sales tax not consistently paid	We recommend the District reinforce procedures to ensure that sales tax is properly assessed and paid on extraclassroom activity purchases, when applicable. Steps towards compliance in this area should include providing training to the central treasurer and student advisors on taxable versus tax-exempt purchases and requiring review of invoices for sales tax applicability prior to payment.	Central Treasurer will continue to ensure that extraclassroom account purchases are subject to sales tax and not exempt.	Immediately
Club Charters and Balances	Certain clubs may be incorrectly recorded in EC account	We noted several sports clubs recorded in the extraclassroom activity accounts that do not appear to meet the NYSED’s definition of an extraclassroom activity fund.	Clubs that do not meet the NYSED criteria for extraclassroom activity fund accounts will be reclassed to the correct accounting ledger.	9/2026
Bank Reconciliation	Funds not in interest-bearing accounts	We recommend that the District evaluate its extraclassroom activity fund cash balances and establish procedures to utilize these accounts where appropriate to maximize earnings while ensuring funds remain accessible and in compliance with applicable regulations and District policy.	Evaluate current bank account and move funds, if determined appropriate.	12/2026
Bank Reconciliation	Funds used for general purposes	We recommend that the District ensure that extraclassroom activity funds are used solely for student-led activities in accordance with applicable guidance. We recommend that any general or administrative expenses be charged to the District’s general fund, as applicable.	Business office to create a general fund budget line for Extraclassroom general expenses beginning with the 2026-27 budget.	9/2026

Training & Compliance	No formal advisor training	We recommend that the District consider developing a formal, documented training program for all extraclassroom activity fund faculty advisors to confirm their understanding of roles and responsibilities.	Develop and require annual training program for any extraclassroom activity advisor.	9/2026
Training & Compliance	No sales tax collection/filing	We recommend that the District implement procedures to monitor taxable sales and ensure compliance with sales tax requirements, including determining when sales tax must be collected and remitted, maintaining appropriate records, and filing all required returns in a timely manner.	Provide training to Central Treasurer about items and events that require sales tax collection and submission and implement an invoice review checklist.	Immediately