

Phyllis L. Albano
Treasurer / Business Administrator
palbano@bethlehemschools.org

Bethlehem Central School District

<http://bethlehemschools.org>



TO: Jody Monroe, Superintendent
Audit Committee Members

FROM: Phyllis L. Albano, Treasurer / Business Administrator

COPY: Judith E. Kehoe, Chief Business and Financial Officer

DATE: September 30, 2021

SUBJECT: Response to Management Letter from Independent Auditors for fiscal year ended June 30, 2021

This memo is in response to the recommendations contained within the management letter, as it relates to the ExtraClassroom Activity (ECA) Fund, from the independent auditors. We appreciate the suggestions for improvement and plan to implement each of the recommendations. Each finding is specifically addressed below:

ECA Club Ledgers – Middle School and High School

The Auditor recommended that the Faculty Advisors and Student Activity Treasurers understand the requirement to prepare and keep ledgers separate from the Central Treasurer to ensure accuracy and minimize errors that could occur, and to have a better record of their activities. This finding has not been resolved from the prior year.

The Treasurer / Business Administrator, Phyllis Albano, will continue to direct the ECA Auditor, Kim Wise, to request that the ledgers, kept by the Student Activity Treasurers and Faculty Advisors, of all clubs be provided periodically throughout the year. The ECA Auditor should

■

verify that each club has a student ledger and compare the balance of the club ledger with the balance shown on the Central Treasurer's report.

In the event that the club ledger does not agree with the balance of the Central Treasurer, the ECA Auditor should determine the cause of the discrepancy and notify both the Faculty Advisor and Central Treasurer, as well as the District Treasurer / Business Administrator and Chief Business and Financial Officer, Judi Kehoe.

Anticipated Completion Date: October 2021

ECA Cash Receipts

Receipts – Middle School and High School

Due to the limited controls over donations, ticket sales, field trips, event admissions, and product sales, the Auditor recommended that the District review NYSED's Finance Pamphlet 2 for all aspects of control over Extraclassroom Activity Funds. The Auditor also recommended that donations be documented in the minutes of each Club and all fundraising activity be supported by a ticket reconciliation. This finding has not been resolved from the prior year.

Profit and Loss Statements – High School

The Auditor recommended that profit and loss statements for fundraising activities and/or ticket reconciliations for events, be maintained to support deposits. This finding has not been resolved from prior year.

As part of the annual training, the Faculty Advisors are reminded that profit and loss statements should be maintained for fundraising activities. Also, the NYSED Pamphlet entitled The Safeguarding, Accounting, and Auditing of Extra Classroom Funds, which provides guidance on the function and duties of the ECA Officers, the procedures for the handling, safeguarding, and depositing of funds, the accounting records required to be maintained, as well as profit/loss statements and sales tax requirements, have been provided to the Central Treasurers.

The Treasurer / Business Administrator, Phyllis Albano, will continue to direct the Central Treasurers to verify that profit and loss statements are prepared by the Faculty Advisor and Student Treasurer and attached to the deposit slip, for all fundraising activities. If the profit and loss statements are not attached, the Central Treasurer should notify the Faculty Advisor, with a copy to the District Treasurer / Business Administrator and Chief Business and Financial Officer (CBFO), of the failure to comply with this requirement. If not properly addressed, the CBFO, Judi Kehoe, will review the matter with the Assistant Superintendent and determine if staff appointments need to be reconsidered.

Anticipated Completion Date: October 2021

Deposits – Middle School and High School

The Auditor recommended that cash receipts be turned into the Central Treasurer and deposited into the bank within five days in accordance with NYSED guidance.

The Treasurer / Business Administrator, Phyllis Albano, will ensure that the Central Treasurers are aware of this requirement.

Anticipated Completion Date: October 2021

ECA Cash Disbursements – High School

The Auditor recommended that emphasis be placed on the importance of having documented physical evidence of an expenditure on behalf of the club. Additionally, the Central Treasurer should strictly enforce this guideline by probing for receipts or invoices if they are not initially provided. In the event that receipts, invoices, or other evidence is impractical or impossible to produce, documentation should be prepared detailing the circumstances and signed by the Central Treasurer, Student Treasurer and Faculty Advisor. This finding has not been resolved from the prior year.

Faculty Advisors have been informed that, in addition to having appropriate documentation to support the disbursement requests, these requests must be signed by the Student Treasurer and Faculty Advisor. We have communicated to the Central Treasurers that he/she should enforce this requirement and return any disbursement request that does not have the required signatures and documentation.

Anticipated Completion Date: October 2021