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Corrective Action Plan: 2016-17 Extraclassroom Activity Fund Audit

**Prior Year Deficiencies Pending Corrective Action:**

Donations Transfers and Awards

Our examination revealed one instance in the Student Council at Oak Orchard Elementary, one instance in the Football Club, one instance in the Acapella Choir, and three instances in the Boys Soccer Club at the Senior High School where a donation or transfer was made without meeting minutes indicating approval by a majority of club members.

*District Response: As stated in the audit report, there has been improvement in this area; however, the District notes this finding and will continue to work with our Central Treasurers and Advisors/Coaches to ensure the required documentation is provided for all club activities.*

Sales Tax

During the course of our examination, we noted one instance in the Student Council at Oak Orchard Elementary, one instance in the Whale Watchers at the Wise Middle School, one instance in the Athletic Council, and one instance in Girls Soccer Club at the Senior High School in which sales tax was not paid on taxable purchases. In addition, there was one instance in the Baseball Club at the Senior High School in which sales tax was paid on the purchase of items intended for resale.

*District Response: The District notes this finding and will continue to work with our Central Treasurers to ensure proper sales taxes are applied where appropriate.*

Profit and Loss Statements

During the course of our examination, we noted the following profit and loss statements were not available for our review:

Senior High School

Athletic Council-Pizza concessions  
FFA-Milk sale & Beef on wick  
Baseball Club-Apparel sale  
SAVI-Car wash  
Yearbook-yearbook sales

Wise Middle School

Performing Arts-Snack sale  
Student Council-Gift & things  
Whale Watch-Coupon books

Oak Orchard Elementary School

Student Council-yearbook sales & Book fair

*District Response: Since the audit, Central Treasurers and the Athletic Director have again communicated with club advisors and coaches regarding this required documentation and the process for completing these statements.*

Gift Cards/ Gifts

Our examination revealed one instance in the Student Council at Wise Middle School where gift cards were purchased, however, there were no club minutes approving the purchase or signatures from the recipients acknowledging receipt. In addition, the Student Council at Oak Orchard Elementary and SAVI

Club at the Senior High School purchased several gifts for which there was no documentation signed by the recipients acknowledging receipt.

*District Response: The District notes this finding and will continue to work with our Central Treasurers and Advisors/Coaches to ensure the required documentation is provided for all club activities.*

#### Senior High School — 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.

*District Response: The District will work with the High School Principal to discuss other ways to conduct the business related to Advanced Placement courses and will implement changes accordingly.*

#### Athletic Council

During the course of our examination we were informed a reconciliation of items sold to total cash collected was completed for concession stand sales, however, this reconciliation was not available for our review.

*District Response: Athletic Council is no longer responsible for the concession stands. Concession stands were turned over to the Parents Athletic Boosters Club in June 2017.*

#### MHS Acapella Choir

Our examination revealed the following:

1. The Student Treasurer is not involved in maintaining a separate set of books.
2. Students are not involved in counting the club's cash receipts.
3. Cash receipts are sometimes taken home overnight by the Faculty Advisor.
4. The Faculty Advisor established a change fund from cash receipts.

*District Response: The Business Office and High School administration have discussed the seriousness of these findings with the Faculty Advisor. Changes will be implemented immediately to address these areas of concern.*

#### Softball Team

During the course of our examination, we noted that the Student Treasurer is not involved in maintaining a separate set of books. In addition, the Student Treasurer is not involved in counting the club's cash receipts.

*District Response: The District notes this finding and will continue to work with our Central Treasurers and Advisors/Coaches to ensure that all processes are adhered to for all club activities, including having the students involved at every stage of the financial business of the club.*

#### Raffles

Our examination revealed that the National Honor Society held a raffle during the 2016-17 fiscal year.

*District Response: The District notes this response and will ensure that raffles are not held in the future.*

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

#### Senior High School — Disbursements

During the course of our examination, we noted three instances in the Boys Varsity Soccer Club where the payment order did not include each of the three required authorizing signatures.

*District Response: The District notes this finding and will continue to work with our Central Treasurers and Advisors/Coaches to ensure the required documentation is provided for all club activities.*

Oak Orchard Elementary School — Change Funds

Our examination revealed that there are no formal procedures regarding the establishment of change funds needed for fund-raising activities.

*District Response: The District notes this finding and will work with our Central Treasurers to develop a procedure for establishing change funds.*

Oak Orchard Elementary School — Student Council

During the course of our examination we noted the following:

1. The Student Treasurer is not involved in maintaining a separate set books.
2. The starting change fund was established with the Faculty Advisor's personal funds.
3. The Student Treasurer is not involved in the preparation of profit and loss statements.

*District Response: The District notes this finding and will continue to work with our Central Treasurers and Advisors/Coaches to ensure that all processes are adhered to for all club activities, including having the students involved at every stage of the financial business of the club.*

Oak Orchard Elementary School — Disbursements

Our examination revealed one instance in the Student Council where items purchased were shipped to a location other than the District.

*District Response: The District notes this finding and will continue to work with our Central Treasurers and Advisors/Coaches to ensure that all processes are adhered to for all club activities.*

*District Response: The Business Office will develop an Extraclassroom Fund Procedure Manual which will allow the District to implement consistent procedures in all areas. The goal is to have this manual in place for September 2018.*

Sincerely,

Marc P. Graff  
Director of Finance and Human  
Resources