



Pearl River School District

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April 6, 2022

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Dear Darin:

The Pearl River School District (the 'District') has received the report titled "Report on Internal Controls Pertaining to the Extraclassroom Activity Fund dated March 2022."

The Pearl River School District hereby submits below a Corrective Action Plan for the Report on Internal Controls Pertaining to the Extraclassroom Activity Fund which is required under Section 170.12 of the Regulations of the Commissioner of Education.

Recommendation #1:

The District should prepare Club Charters and Club Signature Forms for each Extraclassroom Activity Club. Club Charters should state the purpose of the Club and list the Club Advisor, Student Officers, and their signatures. Club Charters should be maintained for all clubs while in operation. Club Signature Forms should indicate the Club Advisor, Student President and Student Treasurer and their respective signatures for reconciliation purposes by the Central Treasurers. Club Signature Forms should be completed annually and submitted to the Central Treasurer before any club transactions are approved.

District Response: The District has noted the recommendation and the Assistant Superintendent for Business, Ann Marie Tromer, will work with the High School Principal, Robert Zegarelli, to arrange additional training for all Club Advisors at the beginning of the 2022-23 School Year. Additional training will include a review of all the requirements and forms to be completed for each club annually.

Recommendation #2:

The Board of Education should review the necessity of each Club and eliminate any unnecessary Clubs. (Those for which there has been no financial and operational activity during the prior two (2) fiscal periods). Disposing/re-allocating of remaining funds from a Club that no longer operates should be done in a consistent manner and approved by the Board of Education for each occurrence. Although this is a best practice, the impact of the Covid pandemic should be taken into consideration before eliminating a club.

District Response: The District has noted the recommendation and the Assistant Superintendent for Business, Ann Marie Tromer, will work with the Board of Education to review club activity annually after each year end audit is completed. At that time, all will review the list of clubs and their financial activity for the year and determine if there are any clubs that should be closed.

Recommendation #3:

According to Policy 5252 procedures should be established to ensure careful and prompt examination of receipts and disbursements. The District should consider the cost/benefit of appointing a Faculty Auditor to review the Club records and oversee the financial aspects of Extraclassroom Activity Funds beyond the Central Treasurer duties. As an alternative the District could enlist the services of its Claims Auditor to provide this review. This will assist the Club Advisors in improving their recordkeeping as required by the District.

District Response: The District has noted the recommendation and the Assistant Superintendent for Business, Ann Marie Tromer, recommends that hiring a Faculty Auditor is not financially feasible at this time. Additional training of staff will be done at the start of the 2022-23 School Year and that should be sufficient.

Recommendation #4

Central Treasurers should prepare and maintain Treasurer's Receipts and deposit slips to document cash collected and delivered to the bank. In addition, deposits should be made within ten (10) days of receipt by Club Advisors to ensure the accuracy of bank balances and minimize the possibility of theft or misplacement of cash or checks. Student Treasurers, Club Advisors, and Central Treasurers should review and sign off on the cash receipts forms to document their review and indicate the student's involvement with the cash receipt process.

District Response: The District would like to note that the Central Treasurer does prepare and maintain Treasurer's Receipts and deposit slips to document cash collected and delivered to the bank. During COVID, deposits were not always made within 10 days but they were kept secure in a safe. The District has a newly appointed Central Treasurer, Sofija Duic, and she ensures all deposits are made timely.

Recommendation #5

Student Treasurers, Club Advisors, Principals, and Central Treasurers should review and sign off on the cash disbursement request forms to document approval and indicate the student's involvement in the process. In addition, Club Advisors should ensure that the vendors charge sales tax on taxable items when making purchases. Any invoices received that do not include sales tax should be returned to the vendor for adjustment or sales tax should be added to the invoice by the District.

District Response: The District has noted the recommendation. The District now has appointed a new Central Treasurer, Sofija Duic, who now ensures all disbursements are documented properly and that sales tax is included, if required.

Recommendation #6

The Central Treasurer should continue to monitor outstanding checks and send a letter to the vendors or employees once a check has been outstanding for at least 6 months.

District Response: The District has noted the recommendation and the newly appointed Central Treasurer, Sofija Duic, and since the beginning of the year, is already reviewing outstanding checks on a regular basis.

Thank you.

A handwritten signature in blue ink, appearing to read "Ann Marie Thomas".



Pearl River School District

*Report on Internal Controls Pertaining to the
Extraclassroom Activity Fund*

March 2022



Pearl River School District

Report on Internal Controls Pertaining to the Extraclassroom Activity Fund

March 2022

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Scope of Engagement

Pursuant to the request of the Pearl River School District and in accordance with the February 2021 Risk Assessment Update, we have reviewed the policies, procedures, and internal controls pertaining to the District's Extraclassroom Activity Fund ("ECAF").

The objectives of our audit were to determine whether the internal controls over the District's Extraclassroom Activity Fund are adequate, assess whether duties are properly performed, and that controls over Extraclassroom Activity Fund are implemented and assets are properly safeguarded.

Worked Performed

Our analysis consisted of the following:

1. Examined all of the documents provided to us by the District, including:
 - a. Board approved policies pertaining to the District's Extraclassroom Activity Fund.
 - b. Documented procedures and training material developed and maintained by the District pertaining to the Extraclassroom Activity Fund.
 - c. List of 2020/2021 and 2021/2022 Central Treasurers.
 - d. Board approved Club Charters for the fiscal year 2021/2022.

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- e. Forms utilized by the Central Treasurers, Club Advisors, and Students to document their Extraclassroom transactions.
 - f. Independent Auditor's Reports on the District's Extraclassroom Activity Fund for fiscal years 2019/2020 and 2020/2021.
 - g. Cash receipts report indicating deposits made into the Extraclassroom Activity Fund during the period of July 2020 through March 2021.
 - h. Sample of cash receipts documentation supporting deposits made into the Extraclassroom Activity Fund during the period of July 2020 through March 2021.
 - i. Cash disbursements report indicating payments made from the Extraclassroom Activity Fund during the period of July 2020 through March 2021.
 - j. Sample of voucher packets supporting the disbursements made from the Extraclassroom Activity Fund during the period of July 2020 through March 2021.
 - k. Schedules maintained by the Club Advisors and Student Treasurers indicating cash receipts, cash disbursements, and account balances for each Club for the fiscal year 2021/2022.
 - l. Monthly bank reconciliation reports and applicable bank statements and deposit slips maintained by the Central Treasurer during the period of July 2020 through March 2021 and for the months of November and December 2021.
 - m. Quarterly Extraclassroom Activity Fund financial reports issued to the Board during 2020/2021.
 - n. Club rosters maintained by Club Advisors for the fiscal year 2021/2022.
2. Performed initial planning and interviews with the Assistant Superintendent for Business and District Treasurer/Central Treasurer pertaining to the Extraclassroom Activity Fund. During our meetings, we had the opportunity to review documents and direct inquiries regarding transactional records, supporting documents, and timely reporting. The purpose of these interviews was to obtain knowledge as to job duties and involvement of the Club Advisors and Student Treasurers as they pertain to the extraclassroom activity funds and reporting process, day-to-day responsibilities, who they report to and who they supervise.
 3. Assessed the possible impact the COVID pandemic may have had on the District's internal controls including control effectiveness, performance, and expenditures. Assessed possible improvements pertaining to the internal controls of the Extraclassroom Activity Fund. Such recommendations are presented within each applicable report section.
 4. Prepared analysis and report. An audit exit conference was held on March 23, 2022 with the Assistant Superintendent for Business and District Treasurer. The results, findings, and recommendations contained in this report were discussed with those attending.

Assessment of Extraclassroom Activity Fund Procedures

The District's current Extraclassroom Activity Fund procedures are structured around six (6) distinct categories. We have analyzed and tested each categorical procedure during the course of our audit. We have documented the Extraclassroom Activity Fund process by way of narratives for each categorical procedure within Exhibit 1 through 7. For ease of reference, the categories are listed below:

- ***General Policies & Procedures***
- ***Extraclassroom Activity Organization***
- ***Extraclassroom Activity Recordkeeping***
- ***Extraclassroom Activity Cash Receipts***
- ***Extraclassroom Activity Cash Disbursements***
- ***Extraclassroom Activity Reconciliation & Reporting***

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General Policies & Procedures (Exhibits 1 & 2)

The attached Exhibits 1 and 2 summarize the organizational structure of the Extraclassroom Activity Fund. We have made the following observations:

The following table summarizes the number of Extraclassroom Activity Clubs and the aggregate financial activity as listed in the District's 2020/2021 financial statements:

<u>School</u>	<u>Clubs</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
Middle School	4	7,477	2,209	2,037	7,649
High School	35	331,649	316,277	425,235	222,691
Total	39	339,126	318,486	427,272	230,340

The following processes are currently carried out by each Party:

<u>Party</u>	<u>Function</u>
Board of Education (BOE)	Approves Extraclassroom Activity policies, Clubs, Club Advisors, Central Treasurers, and applicable stipends.
Assistant Superintendent for Business	General oversight and coordinator of year end audit of the Extraclassroom Activity Funds. Reviews monthly Extraclassroom bank reconciliations.
District Treasurer	Reports Extraclassroom Activity to the Board of Education. Oversees Financial aspects of the Middle School Extraclassroom Activity Clubs. Reconciles monthly bank statement.
Central Treasurer	Oversees Financial aspects of the High School Extraclassroom Activity Clubs. Maintains books, records, and general ledger of building level Extraclassroom account. Receives deposits for cash receipts. Prepares checks for disbursements. Deposits funds to the bank. Reconciles monthly bank statement.
Building Principals	Reviews and approves Extraclassroom Club formation and fundraising application forms. Sign Extraclassroom disbursements.
Club Advisors	Advises and assists the students with day-to-day management of the club activity and Extraclassroom account. Signs off on the Extraclassroom Club formation application form. Oversees the maintaining of Extraclassroom Club records and fundraising activities. Facilitates Club meetings.
Student Presidents & Student Treasurers	Sign off on the Extraclassroom Club formation and fundraising application forms. Completes and signs deposit and check request forms. Responsible for maintaining Club records. Conducts fundraising activities. Holds Club meetings

The District has developed documented guidelines including "Rules and Guiding Principles" as defined by the Commissioner of Education. In addition, the District utilizes the New York State Education Department's publication; "The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds" revised in 2019 as its guide for the Central Treasurers and Club Advisors.

At the beginning of each school year, the Central Treasurers conducts annual training workshops for all Club Advisors and distributes the standardized forms. Throughout the school year the Central Treasurer addresses questions, comments, or concerns regarding fundraising, cash receipts, purchasing, cash disbursements, accounting, and reconciliations.

➤ **No recommendations at this time.**

Extraclassroom Activity Organization (Exhibit 3)

The attached Exhibit 3 summarizes the procedures pertaining to the organization of Extraclassroom Activity Clubs. We have made the following observations:

Club Advisors submit an Application for Club Charter indicating the Club name, purpose, and names of Club Advisor and Students involved, etc. to the High School Principal for review and approval. The High School Principal forwards the application to the Superintendent of Schools for review and approval. The Superintendent of Schools adds the application as an agenda item for the Board of Education to approve.

The Board of Education approves the Central Treasurer, the Club Advisors, and their stipends at the annual business and reorganizational meetings. Stipends are determined based on the Teacher's bargaining unit agreement.

Observation/Recommendation #1

We have selected a random sample of ten (10) High School Extraclassroom Activity Clubs and two (2) Middle School Extraclassroom Activity Clubs for the 2021/2022 fiscal year. We have examined the information for the selected Extraclassroom Activity Clubs against our audit criteria and made the following observations:

- Charters, which state the purpose of the Club and list the Club Advisor, Student Officers, and their signatures, are not consistently maintained.
 - Club Signature Forms indicating the Club Advisor, Student President, and Student Treasurer and their respective signatures for reconciliation purposes by the Central Treasurers are not consistently maintained.
- ***We recommend that a charter and signature form be prepared for each Extraclassroom Activity Club and include the information noted above. Club charters should be maintained for all clubs while in operation and signature forms should be completed annually and submitted to the Central Treasurer before any club transactions are approved.***

Observation/Recommendation #2

We analyzed the three (3) year financial activity reported by the 39 Extraclassroom Activity Clubs listed on the District's financial statements as of June 30, 2021 and noted two (2) Clubs that did not have financial activity during the prior two (2) fiscal periods.

- ***The Board of Education should review the necessity of each Club and eliminate any unnecessary Clubs. (Those for which there has been no financial and operational activity during the prior two (2) fiscal periods). Disposing/re-allocating of remaining funds from a Club that no longer operates should be done in a consistent manner and approved by the Board of Education for each occurrence. Although this is a best practice, the impact of the Covid pandemic should be taken into consideration before eliminating a club.***

Extraclassroom Activity Recordkeeping (Exhibit 4)

The attached Exhibit 4 summarizes the current ECAF recordkeeping procedures. We have made the following observations:

The Central Treasurer, Club Advisors, Student Presidents, and Student Treasurers utilize the following forms at each building:

- Club Charter
- Club Officers and Signatures List
- Student Roster and Attendance
- Meeting Minutes
- Treasurer's Receipts
- Cash Receipts Form
- Student Treasurer Log of Cash Receipts and Disbursements
- Cash Disbursement Request
- Fundraising Authorization Form
- Profit and Loss Statement

Observation/Recommendation #3

Although the forms are in place Club Advisors do not maintain the following forms developed by the District in a consistent manner:

- Student Roster and Attendance
- Meeting Minutes
- Student Treasurer Log of Cash Receipts and Disbursements
- Fundraising Authorization Form
- Profit and Loss Statement

The lack of documentation is a risk as the Club Advisors may not account for the monetary transactions and operational activities conducted by each Club as prescribed by the New York State Education Department.

- *According to Policy 5252 procedures should be established to ensure careful and prompt examination of receipts and disbursements. the District should consider the cost/benefit of appointing a Faculty Auditor to review the Club records and oversee the financial aspects of Extraclassroom Activity Funds beyond the Central Treasurer duties. As an alternative the District could enlist the services of its Claims Auditor to provide this review. This will assist the Club Advisors in improving their recordkeeping as required by the District.*

Extraclassroom Activity Cash Receipt (Exhibit 5)

The attached Exhibit 5 summarizes the current ECAF cash receipt procedures. We have made the following observations:

Observation/Recommendation #4

We have selected a random sample of twenty (20) High School extraclassroom activity fund cash receipts and two (2) Middle School extraclassroom activity fund cash receipts for the 2020/2021 fiscal year and tested them against our audit criteria. Based upon the testing procedures performed we made the following observations:

- All cash receipts tested were traced and agreed to the Extraclassroom Activity Funds Central Treasurer's activity ledger.
 - All cash receipts tested were traced and agreed to bank statements.
 - Treasurer's Receipts are not issued on a consistent basis.
 - One (1) cash receipt tested did not have the corresponding deposit slip to support the transaction.
 - Seven (7) cash receipts tested were not deposited within 10 days of receipt of funds.
 - Of the cash receipt forms reviewed, eleven (11) were missing Student Treasurer signatures, four (4) were missing Club Advisor signatures, and one (1) was missing a Central Treasurer signature indicating their respective involvement in the collection process.
- ***Central Treasurers should prepared and maintain Treasurer's Receipts and deposit slips to document cash collected and delivered to the bank. In addition, deposits should be made within ten (10) days of receipt by Club Advisors to ensure the accuracy of bank balances and minimize the possibility of theft or misplacement of cash or checks. Student Treasurers, Club Advisors, and Central Treasurers should review and sign off on the cash receipts forms to document their review and indicate the student's involvement with the cash receipt processes.***

Extraclassroom Activity Cash Disbursements (Exhibit 6)

The attached Exhibit 6 summarizes the current ECAF cash disbursement procedures. We have made the following observations:

Observation/Recommendation #5

We have selected a random sample of twenty (20) High School extraclassroom activity fund cash disbursements and four (4) Middle School extraclassroom activity fund cash disbursements for the 2020/2021 fiscal year and tested them against our audit criteria. Based upon the testing procedures performed we made the following observations:

- All cash disbursements tested were traced and agreed to the Extraclassroom Activity Funds Central Treasurer's activity ledger.
- All cash disbursements tested were traced and agreed to bank statements.

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- The High School Principal does not sign-off on cash disbursement request forms, indicating authorization for the purchase.
 - Fourteen (14) of the cash disbursement request forms were missing Student Treasurer signatures and three (3) were missing Central Treasurer signature indicating their respective involvement in the collection process.
 - Nine (9) of the ECAF cash disbursements tested, did not include sales tax on the purchase amounts.
- ***Student Treasurers, Club Advisors, Principals, and Central Treasurers should review and sign off on the cash disbursement request forms to document approval and indicate the student's involvement in the process. In addition, Club Advisors should ensure that the vendors charge sales tax on taxable items when making purchases. Any invoices received that do not include sales tax should be returned to the vendor for adjustment or sales tax should be added to the invoice by the District.***

Extraclassroom Reconciliation & Reporting (Exhibit 7)

The attached Exhibit 7 summarizes the current ECAF reconciliation and reporting procedures. We have made the following observations:

We have selected a random sample of four (4) High School and three (3) Middle School bank reconciliations for their ECAF accounts for the fiscal years of 2020/2021 and 2021/2022. Based upon the testing procedures performed we noted the following:

- Book balances were traced and agreed to the bank statements.
- Bank reconciliations were prepared monthly in a timely manner.
- The Central Treasurer maintains a detailed list of outstanding checks and monitors the status of each claim.
- The Assistant Superintendent for Business reviews the monthly bank reconciliations.
- The Board of Education receives on a quarterly basis a Statement of Cash Receipts, Cash Disbursements, and Cash Balances for the Extraclassroom Activity Funds.

Observation/Recommendation #6

We noted that the High School Extraclassroom Activity Fund bank account has outstanding checks which are over six months outstanding.

- ***We recommend that the Central Treasurer continue to monitor outstanding checks and send a letter to the vendors or employees once a check has been outstanding for at least six (6) months.***

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Risk Rating and Opinion

Inherent Risk Rating: High

Control Risk Rating: Moderate (Pearl River School District)

Audit Opinion: Needs Improvement

Audit Comment: The District's process and internal controls pertaining to the Extraclassroom Activity Funds need improvement. The recommendations noted above are aimed to improve the effectiveness of the internal controls pertaining to the accounting and reporting processes, within the Extraclassroom Activity Funds.

Exhibits

- Exhibit 1*** Flow Chart of Organizational Structure
- Exhibit 2*** Analysis of Policies
- Exhibit 3*** Narratives of Organization Procedures
- Exhibit 4*** Narratives of Recordkeeping Procedures
- Exhibit 5*** Narratives of Cash Receipts Procedures
- Exhibit 6*** Narratives of Cash Disbursements Procedures
- Exhibit 7*** Narratives of Reconciliation & Reporting Procedures

Pearl River School District
Report on Internal Controls Pertaining to the Extraclassroom Activity Fund
Organizational Structure
Exhibit 1

Board of Education

- Approves Extraclassroom Activity policies.
- Approves Extraclassroom Activity Clubs, Club Advisors, Central Treasurers, and applicable stipends.

Assistant Superintendent for Business

- General oversight and coordinator of year end audit of the Extraclassroom Activity Funds.
- Reviews monthly Extraclassroom bank reconciliations.

District Treasurer

- Reports Extraclassroom Activity to the Board.
- Oversees Financial aspects of the Middle School Extraclassroom Activity Clubs.

Central Treasurer

- Oversees Financial aspects of the High School Extraclassroom Activity Clubs.
- Maintains books, records, and general ledger of building level Extraclassroom account.
- Receives deposits for cash receipts.
- Prepares checks for disbursements.
- Deposit funds to the bank.

Building Principals

- Reviews and approves Extraclassroom Club formation and fundraising application forms.
- Signs Extraclassroom disbursements.

Club Advisors

- Advises and assists the students with day-to-day management of the club activity and Extraclassroom account.
- Signs off on the Extraclassroom Club formation application form.
- Oversees the maintaining of Extraclassroom Club records and fundraising activities.
- Facilitates Club meetings.

Student Presidents & Student Treasurers

- Signs off on the Extraclassroom Club formation and fundraising application forms.
- Completes and signs deposit and check request forms.
- Responsible for maintaining Club records.
- Conducts fundraising activities.
- Holds Club meetings.

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Analysis of Policies
Exhibit 2

The Board of Education adopted policy 5200 cocurricular and extracurricular programs. The Board of Education recognizes the value of extracurricular activities for the student and encourages the participation by the students in these activities. The Board commits itself to the assignment of staff for the formation of student groups for such purposes as building social relationships, developing interests in an academic area, and gaining an understanding of the elements and responsibilities of good citizenship. However, evidence of these activities interfering with a student's academic success will be cause for ineligibility. Behavioral standards must be maintained. All student activities must have an educational value, be in balance with other curricular offerings, and managed in a professional manner.

The following guidelines govern student activities programs:

1. Student activities are those school activities that are voluntarily engaged in by students, have the approval of the school administration and do not carry credit toward promotion or graduation.
2. Each school, under the direction of the Building Principal, will have a well-balanced and effectively administered student activity program designed to stimulate student growth and development by supplementing and enriching the curricular activities.
3. Each activity should be designed to contribute directly to the educational, civic, social and ethical development of students involved.
4. The student activity program should receive the same attention in terms of philosophy, objectives, social setting, organization and evaluation that is given the regular school curriculum.
5. Each school will develop definite written guidelines and procedures regulating the creation, organization, administration and dissolution of student activity programs.
6. Activities must be open to all students, regardless of race, religion, sex, national origin, marital status, disability or other human differences.

Applicable procedures are presented within the Organizational Structure and Narratives of Organization Procedures (Exhibits 1 and 3).

The Board of Education adopted policy 5252 student activities funds management. The Board of Education shall have the responsibility for the protection and supervision of the financial affairs of student clubs and extracurricular activities. Extraclassroom activity funds are funds raised other than by taxation or through charges by the Board, for, by, or in the name of a school, student body, or any subdivision thereof.

The Building Principal of each school concerned will appoint a competent or qualified staff member for each club or organization. An audit of all accounts will be made annually by the school auditor. All funds shall be handled in the following fashion:

1. Two separate and independent sets of records of receipts and expenditures shall be maintained.
2. The authority to expend monies shall be distinct and separate from the custody of these monies.
3. At least two individuals shall take part in each act of disbursing money.
4. The treasurer of the fund shall report to the Board or its designated representative regularly and independently at least quarterly.
5. Procedures shall be established which will insure a prompt and careful examination and check of each receipt and each payment.
6. The accounting system shall be such that it will yield the largest possible educational return to students without sacrificing the safety of funds or exposing students to undue responsibility or unnecessary routine.

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Analysis of Policies
Exhibit 2***

Deposit of Funds

The Board shall direct that the monies received from the conduct, operation or maintenance of any extraclassroom activity be deposited with an official designated by the Board, who, in such event shall be the Treasurer of such extraclassroom activity fund.

Leftover Funds

Leftover funds of discontinued extraclassroom activities and of graduating classes shall automatically revert to the account of the general student organization or student council and shall be expended in accordance with the organization's constitution.

Applicable procedures are presented within the Narratives of Organization Procedures, Recordkeeping Procedures, Cash Receipts Procedures, Cash Disbursement Procedures, and Reconciliation & Reporting Procedures (Exhibits 3,4,5,6, and 7)

***Pearl River School District
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Narratives of Organization Procedures
Exhibit 3***

Development of Clubs

1. The Club Advisor submits an Application for Club Charter indicating the name, purpose, Club Advisor and Students involved, etc. to the High School Principal for review and approval.
2. The High School Principal forwards the application to the Superintendent of Schools for review and approval.
3. The Superintendent of Schools adds the application as an agenda item for the Board of Education to approve.

Annual Reorganization

1. The Board of Education approves the Central Treasurer, the Club Advisors, and their stipends at the annual business and reorganizational meetings. Stipends are determined based on the Teacher's bargaining unit agreement.
2. The Club Advisor, Student President, and Student Treasurer update annually their Club Signature List for the Central Treasurer to verify their involvement when deposit and check requests are presented for processing.

Club Meetings

1. The Club members and the Club Advisor meet on a regular basis on school property outside of the regular school days.
2. Each Club is required to maintain meeting minutes indicating the attendees, the reason for the meeting, date/time, and the matters discussed at the meeting. The meeting minutes document the students' votes and results on decision matters.
3. The Club Advisors are responsible to submit copies of their meetings minutes to the Central Treasurer to support their decision for their claimed expenditures or donations.

Training

1. The Central Treasurer meets with the Club Advisors and Student Treasurers annually to explain and provide them with standardized forms and documented guidelines regarding handling check requests, claim forms, deposit slips, profit and loss statements, and other procedures. In addition, the Central Treasurer addresses any questions, comments, or concerns regarding Extraclassroom Activity recordkeeping and processing of cash receipts and disbursements throughout the year.

***Pearl River School District
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Narratives of Recordkeeping Procedures
Exhibit 4***

Forms

The Central Treasurer, Club Advisors, Student Presidents, and Student Treasurers prepare and maintain the following forms and documents:

- Club Charter
- Club Officers and Signatures List
- Student Roster and Attendance
- Meeting Minutes
- Treasurer's Receipts
- Cash Receipts Form
- Student Treasurer Log of Cash Receipts and Disbursements
- Cash Disbursement Request
- Fundraising Authorization Form
- Profit and Loss Statement

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Narratives of Cash Receipts Procedures
Exhibit 5

1. The Student Treasurers and Club Advisors collect and count the cash and checks.
2. The Student Treasurers and Club Advisors complete the “Cash Receipts Form” and submit it to the Central Treasurer.
3. The Central Treasurer recounts the cash and checks and issues a signed pre-numbered receipt to the Club Advisor.
4. The Central Treasurer maintains a copy of the cash receipts form and returns the original to the Club Advisor for recordkeeping purposes.
5. The Central Treasurer documents the collections within QuickBooks/WinCap categorized by School and Club.
6. The Central Treasurer remote deposits all checks via the check scanner in the Business Office.
7. The Central Treasurer prepares a bank deposit slip for cash received, makes the bank deposits, and obtains a bank deposit receipt. In the event the Central Treasurer is unable to make the bank deposit, she maintains the cash and checks within the building’s safe.
8. The Central Treasurer maintains a copy of the cash receipts form, bank deposit slip, and bank deposit ticket within a file categorized by School and month.

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Narratives of Cash Disbursements Procedures
Exhibit 6

1. The Club Advisors submit orders to vendors on behalf of the Club.
2. The vendors deliver the goods and/or services and issue an invoice to the applicable Club.
3. The Student Treasurers and Club Advisors submit a “Cash Disbursement Request Form” along with the vendor invoice to the Principals for approval. The Principals approve the cash disbursement request form and invoice and forward them to the Central Treasurer for processing.
4. The Central Treasurer reviews the cash disbursement request form and invoice and issues a check to the vendor.
5. The Central Treasurer signs the checks and sends it to the Principal for a second signature.
6. The Club Advisors pick up the checks and mail them to the vendors.
7. The Central Treasurer documents the disbursements within QuickBooks/WinCap categorized by School and Club.
8. The Central Treasurer maintains a copy of the cash disbursement request form and invoice within a file categorized by School and month.

***Pearl River School District
Report on Internal Controls Pertaining to the Extraclassroom Activity Fund
Narratives of Reconciliation & Reporting Procedures
Exhibit 7***

Bank Reconciliations

1. The District maintains one bank account for the High School and one bank account for the Middle School extraclassroom financial activities.
2. At the end of each month, the Central Treasurer prints the monthly bank statement from the bank website and prints the ledger for the Extraclassroom Clubs from QuickBooks/WinCap.
3. The Central Treasurer reconciles the activity reported between the bank statement and the QuickBooks/WinCap ledger.
4. The Central Treasurer prepares monthly bank reconciliations utilizing QuickBooks/Excel indicating the statement beginning balance, checks and payments cleared, deposits and other credits cleared, statement ending balance, uncleared transactions, and register balance as well as the cleared transactions, uncleared transactions and register balance as of the date the reconciliation was prepared.
5. Non-reconciling items are investigated by the Central Treasurer, Club Advisors, and Student Treasurers.
6. The Central Treasurer maintains the following documentation to support the bank reconciliation process:
 - a) QuickBooks/Excel Bank Reconciliation
 - b) Details for Cleared and Uncleared Transactions
 - c) Bank Statements
 - d) Balance Sheet Detail
 - e) Copies of Non-Reconciling Items (e.g. cash receipts, checks)
7. The Assistant Superintendent for Business reviews the monthly bank reconciliations.
8. Extraclassroom activities are reported to the Board of Education on a quarterly basis.
9. The Board of Education approves the quarterly Extraclassroom reports.

Stipends

1. At the end of each fiscal year, (or applicable season), the Club Advisors submit a Payroll Voucher through WinCap Web to their Principal to review and approve their request for their stipend payment.
2. Upon approval, the Principal forwards the Payroll Voucher to the Payroll Office for payment processing.