



Mechanicville City School District

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District Office

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Business Manager
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October 5, 2023

For each recommendation included in the audit report, the following is our correction action taken.

Extra Classroom Activity Fund Findings:

1. Accounting controls over Cash Receipts: The Extraclassroom Activity Clubs receive funds from a variety of sources, including donations, ticket sales, field trips, event admissions and product sales. However, controls over those receipts are limited.

Recommendation: The district should review NYSED's Finance Pamphlet 2 for all aspects of controls over Extraclassroom Activity Funds. However, the Fund should consider documenting donations in the minutes of each Club and require all fundraisers be supported by ticket reconciliation.

Implementation Plan of Action: Clubs will provide adequate back up to support all cash receipts. Clubs will be required to document donations in their minutes and provide a ticket reconciliation when applicable.

Implementation Date: September 5, 2023

Person Responsible for Implementation: Sydney Leonard, ECA Treasurer

2. Club Ledgers: During our testing of cash disbursements and cash receipts, we noted 4 out of 60 disbursements tested and also 4 out of 60 cash receipts tested where the disbursement or receipt was not included in the student ledger or the ledger was missing.

Audit Recommendation: Club ledgers are an important and required part of the accounting records for extraclassroom activities. The purpose of these ledgers is for the Club to be responsible for recording and monitoring their activity and for providing a system of checks and balances against the ECAF Treasurer. To help ensure that each club is aware of the balance available to them, club ledgers should be prepared and maintained by the student treasurers of each club, ensuring they are correctly accounting for all activity throughout the year. These ledgers should be periodically compared to the Central Treasurer's ledger with any discrepancies investigated and resolved.

Implementation Plan of Action: The importance and purpose of the student ledgers has been explained to the class advisors and ECAF Treasurer. The ECA Treasurer in the business office will compare student ledgers to the Central Treasurer's ledgers twice a year to review any discrepancies and to ensure they are being investigated and resolved.

Implementation Date: September 5, 2023

Person Responsible for Implementation: Sydney Leonard, ECA Treasurer

3. Cash Receipts: During our testing of sixty cash receipts, it was noted that six receipts did not have required signatures. Of these six receipts, we noted five where there were no required signatures and one with no club advisor or Central Treasurer signature on the deposit receipt.

Audit Recommendation: The district should review NYSED's Finance Pamphlet 2 for all aspects of controls over Extraclassroom Activity Funds. We recommend, before receipts are deposited, that the documentation be checked to ensure all necessary signatures are included.

Implementation Plan of Action: The documentation will be reviewed by the ECA treasurer to ensure all of the necessary signatures have been obtained prior to the receipts being deposited

Implementation Date: September 5, 2023

Person Responsible for Implementation: Sydney Leonard, ECA Treasurer

4. Cash Disbursements: During our testing of 60 cash disbursements, it was noted that two disbursements did not have the required signatures, both were missing the student signatures and one was also missing the club advisor signature on the purchase order. where there was no purchase order and no student signature. During our testing of twenty-two cash disbursements, it was noted that one disbursement did not have proper support.

Recommendation: Per NYSED guidance, the policies and procedures that are in place for cash disbursements are for the dual purpose of providing internal control over disbursements and involving the students in the process. We recommend, before disbursements are made, that the documentation be checked to ensure all necessary signatures are included.

Implementation Plan of Action: The ECA Treasurer in the Business office will review all disbursement paperwork to ensure all of the necessary signatures are included.

Implementation Date: September 5, 2023

Person Responsible for Implementation: Sydney Leonard, ECA Treasurer

5. Inactive club: Our audit procedures identified two clubs that have been inactive for three years and still carry a balance.

Recommendation: To comply with NYSED guidance, we recommend that the Fund enforce its policy in which funds from inactive clubs are transferred to other club accounts. In doing so, the Fund can help reduce the risk that these funds might be misappropriated.

Implementation Plan of Action: The ECA Treasurer in the Business office will review all inactive accounts and recommend the transfer of funds to the applicable club accounts.

Implementation Date: October 7, 2023

Person Responsible for Implementation: Sydney Leonard, ECA Treasurer

Signed

Joe A. Burch

Date

10/5/2023