

***Plainedge Union Free School District
Report on Extraclassroom Activity Fund
For the Period July 1, 2023 through February 28, 2025***



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Board of Education
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We have completed our internal audit services of the Plainedge Union Free School District's (the "District") extraclassroom activity fund for the period July 1, 2023, through February 28, 2025.

The objectives of the engagement were to evaluate the efficiency, effectiveness, and compliance of the District's internal controls related to the District's extraclassroom activity fund with relevant policies, procedures, and regulatory requirements, where applicable.

Our procedures were not designed to express an opinion on internal controls related to extraclassroom activity fund, and as such, we do not express such an opinion. Our audit of the District's extraclassroom activity fund identified areas of strength as well as opportunities for improvement. By implementing the recommended improvements, the District can further enhance the efficiency and effectiveness of its extraclassroom activity fund. The results of our procedures are presented on the following pages.

This report is intended solely for the information and use of the Board, the Audit Committee, and management of the District and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the courtesy and assistance extended to us by personnel of the District.

We are available to discuss this report with the Board or others within the District at your convenience.

Our observations and recommendations are directed at the improvement of the system of internal controls and should not be considered a criticism of, or reflection on, any employee of the District.

Very truly yours,

R.S. Abrams & Co., LLP
April 16, 2025

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PROCEDURES PERFORMED, OBSERVATIONS, AND RECOMMENDATIONS

AREA: EXTRACLASSROOM CASH RECEIPTS

Overview: The extraclassroom activities fund receives funding from various sources, including student activity fees, fundraising activities, donations, sponsorships, and revenue generated from events, performances, and merchandise sales. The District has adopted procedures illustrated by New York State Education Department (NYSED) Finance Pamphlet No. 2, *The Safeguarding, Accounting and Auditing of Extraclassroom Funds, 2019* to account for extraclassroom activities. For cash receipts, the Central Treasurer prepares the deposit slip and records the activity within *WinCap*, the District's accounting information system. The deposit form is required to be signed by the Student Treasurer, Faculty Advisor, and the Extraclassroom Central Treasurer.

Relevant Board Policies Examined:

- Policy #5210 – *Student Organizations*
- Policy #5210-R – *Student Organizations Regulation*
- Policy #5252 – *Student Activities Funds Management*
- Policy #5252-R – *Extraclassroom (Cocurricular) Activity Funds Regulations*

Procedures Performed:

- Reviewed the District's policies and procedures related to extraclassroom cash receipts.
- Assessed the effectiveness of internal controls designed to mitigate risks associated with extraclassroom cash receipts.
- Inquired with key District personnel to obtain an understanding of the processes.
- Evaluated controls such as supervision, authorization, segregation of duties, documentation, and reconciliation procedures.
- Ensured clear guidelines are in place for the collection, handling, recording, and depositing of cash from extraclassroom activities.
- Sampled forty (40) extraclassroom cash receipts recorded during the period of July 1, 2023 through February 28, 2025 to examine supporting documentation for extraclassroom cash receipts, including the cash receipt form, cash register tapes, receipt books, deposit slips, and bank statements. In addition, we confirmed that the documentation is complete, accurate, and maintained in accordance with record keeping requirements.

Observations: No exceptions were noted.

Recommendations: No recommendations were noted.

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AREA: EXTRACLASSROOM CASH DISBURSEMENTS

Overview: The extraclassroom activities fund covers expenses related to the operation and administration of extraclassroom activities, including but not limited to:

- Equipment and supplies
- Uniforms and costumes
- Travel expenses for competitions, tournaments, and field trips
- Event fees and registration costs
- Guest speakers and performers
- Awards and recognition

The District has adopted procedures illustrated by NYSED's Finance Pamphlet No. 2, *The Safeguarding, Accounting and Auditing of Extraclassroom Funds*, to account for extraclassroom activity disbursements. For cash disbursements, the District utilizes a withdrawal form which outlines the use of funds and is required to be signed by the Student Treasurer, Faculty Advisor, and Central Treasurer. The District attaches the invoice to be paid or the receipts to be reimbursed to the withdrawal form as well.

Relevant Board Policies Examined:

- Policy #5210 – *Student Organizations*
- Policy #5210-R – *Student Organizations Regulation*
- Policy #5252 – *Student Activities Funds Management*
- Policy #5252-R – *Extraclassroom (Cocurricular) Activity Funds Regulations*

Procedures Performed:

- Reviewed the District's policies and procedures related to extraclassroom cash disbursements.
- Inquired with key District personnel to obtain an understanding of the processes.
- Ensured that clear guidelines are in place for approving, documenting, and processing cash disbursements for extraclassroom activities.
- Ensured that different individuals are responsible for initiating, approving, processing, and recording cash disbursements.
- Assessed controls such as segregation of duties, authorization procedures, documentation requirements, and reconciliation processes.
- Sampled forty (40) extraclassroom disbursements recorded during the period of July 1, 2023 through February 28, 2025 to verify that disbursements are properly supported by documentation such as invoices, receipts, or authorization forms, and that they are appropriately recorded in the accounting system. In addition, we confirmed that the documentation is complete, accurate, and maintained in accordance with record keeping requirements.

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Observation #1: We noted that one (1) out of forty (40) extraclassroom cash disbursements tested did not include an itemized receipt to substantiate the reimbursement amount. To ensure transparency, accountability, and compliance with financial regulations, the District should take appropriate action to obtain itemized receipts for extraclassroom cash disbursements.

Recommendation #1: We recommend that all reimbursement requests be supported by evidence of pre-approval by students, documented in the club meeting minutes. These meeting minutes, along with all supporting documentation (e.g., itemized receipts and payment order forms), should be attached to the reimbursement request submitted to the central treasurer. This practice will help ensure transparency, proper oversight, and alignment with the intended use of student funds.

AREA: CLUB CHARTERS

Overview: In accordance with NYSED's Finance Pamphlet No. 2, *The Safeguarding, Accounting and Auditing of Extraclassroom Funds*, the District requires all extraclassroom activity clubs to develop a club charter which explains the purpose and goals of the club/organization. The club charter is required to be filed annually by the club and approved by the Board, faculty advisor, building principal, club president, club vice president, club secretary and club treasurer.

Relevant Board Policies Examined:

- Policy #5210 – *Student Organizations*
- Policy #5210-R – *Student Organizations Regulation*
- Policy #5230 – *Eligibility for Co-Curricular Activities*
- Policy #5230-R – *Eligibility for Co-Curricular Activities Regulation*
- Policy #5252 – *Student Activities Funds Management*
- Policy #5252-R – *Extraclassroom (Cocurricular) Activity Funds Regulations*

Procedures Performed:

- Reviewed the District's policies and procedures related to extraclassroom club charters.
- Inquired with key District personnel to obtain an understanding of the processes.
- Understand the process for chartering new clubs or organizations, including requirements for approval, documentation, and oversight.
- We selected ten (10) club charters—five (5) from the High School and five (5) from the Middle School for extraclassroom activity clubs to verify that a charter or constitution exists and is signed by the appropriate officials, including Board approval. This review ensures compliance with District requirements and proper governance of club activities.

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Observations: No exceptions were noted.

Recommendations: No recommendations were noted.

AREA: BANK RECONCILIATIONS

Overview: The Extraclassroom Central Treasurer is responsible for recording extraclassroom activity transactions into *WinCap*, the District's accounting information system, preparing deposit slips, and approving disbursements. Bank reconciliations for the District's extraclassroom activity bank account(s) are performed monthly by the Extraclassroom Central Treasurer in the business office and are subsequently reviewed and approved by the Assistant Superintendent for Business and Administration.

Relevant Board Policies Examined:

- Policy #5252 – *Student Activities Funds Management*
- Policy #5252-R – *Extraclassroom (Cocurricular) Activity Funds Regulations*

Procedures Performed:

- Reviewed the District's policies and procedures related to extraclassroom bank reconciliations.
- Inquired with key District personnel to obtain an understanding of the processes.
- Obtained an understanding of the process for reconciling bank statements, including timelines, responsibilities, and documentation requirements.
- Examined documentation related to extraclassroom bank reconciliations, including bank statements, reconciliation reports, supporting schedules, and adjustment records.
- Investigated any outstanding items or discrepancies identified during the bank reconciliation process.
- Determined the cause of the discrepancies and ensure that corrective actions were taken to address underlying issues and prevent recurrence.
- Sampled two (2) monthly bank reconciliations performed during the year to verify that all required documentation is complete, accurate, and maintained on file.

Observations: No exceptions were noted.

Recommendations: No recommendations were noted.

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AREA: EXTRACLASSROOM ACCOUNTING AND REPORTING

Overview: The District retains up to date accounting information as transactions are processed. The District also presents financial information to the Board quarterly. At year-end, the District reviews account balances to ensure that clubs with no financial activity for an extended period are identified and addressed. Any clubs identified as inactive will be examined further, and if deemed necessary in accordance with District policy, the remaining fund balance will be reclassified or transferred to another club.

Relevant Board Policies Examined:

- Policy #5252 – *Student Activities Funds Management*
- Policy #5252-R – *Extraclassroom (Cocurricular) Activity Funds Regulations*

Procedures Performed:

- Reviewed the District's policies and procedures related to extraclassroom accounting and reporting.
- Inquired with key District personnel to obtain an understanding of the processes.
- Obtained an understanding of the process for recording financial transactions, preparing financial statements, and ensuring compliance with relevant laws, regulations, and accounting standards.
- Evaluated the listing of clubs to ensure only appropriate clubs are established.
- Verified the accuracy and completeness of financial reporting.
- Reviewed all club balances for the last three fiscal years to ensure the District is properly transferring remaining club balances from clubs with no financial activity for an extended period, in accordance with District policy.
- Verified the District is filing New York State sales tax returns quarterly.
- Verified the Extraclassroom Central Treasurer reconciles each individual club's extraclassroom ledger with the central ledger every month.

Observations: No exceptions were noted.

Recommendations: No recommendations were noted.

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CORRECTIVE ACTION PLAN

The District is required to prepare a corrective action plan in response to any findings contained in the internal audit reports. As per Commissioner's Regulations §170.12, a corrective action plan, which has been approved by the Board, should be submitted to the State Education Department within 90 days of the receipt of a final internal audit report.

The approved corrective action plan and a copy of the respective internal audit report should be submitted using the NYSED Business Portal.