

October 16, 2018

To the President and Members
of the Board of Education of the
Ravena-Coeymans-Selkirk Central School District

Dear President and Members of the Board of Education:

In planning and performing our audit of the financial statement of the Extraclassroom Activity Fund of Ravena-Coeymans-Selkirk Central School District (the Fund) as of and for the year ended June 30, 2018, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 16, 2018 on the financial statement of the Fund. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

CASH DISBURSEMENTS

Finding

Our testing of cash disbursements disclosed twenty-one instances out of forty-one tested in the High School, and one instance out of nineteen tested in the Middle School, where the disbursement request lacked at least one of the required signatures.

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 that all necessary signatures are included.

Finding

During testing of forty-one High School disbursements, we noted two instances for which there was no invoice or supporting documentation to indicate the amount to be disbursed.

Recommendation

We recommend supporting documentation for cash disbursements be kept. This should include the name of the payee, the amount, the club to be charged and purchase order number.

Finding

During our testing of forty-one High School disbursements, we noted two instances for which only the Central Treasurer signed the check. Controls in place over disbursements of checks call for signatures from both the Central Treasurer and the Principal.

Recommendation

We recommend the District follows control procedures in place requiring two signatures on each check. The Principal should continue to review checks by signing off on each one noting approval.

CASH RECEIPTS

Finding

Our testing of forty-two High School cash receipts disclosed four instances where the Activity Treasurer's signature was missing from the deposit receipt.

Recommendation

The New York State Education Department (NYSED) issues guidelines over the Extraclassroom Activity Fund which state that the purpose of the Extraclassroom Activity Fund is to provide learning experiences in the business procedures needed to safeguard the collection, deposit, and disbursement of money, along with the filing of sales tax revenues. We recommend that all funds received for the Extraclassroom Activity Fund be counted, and recorded by the student treasurer for the applicable activity. The activity faculty advisor should then verify the count and information, and forward to the central treasurer for deposit. The people who are responsible for the collection and deposit of the money should all sign off on the cash receipt record indicating their review. NYSED guidelines are that at a minimum, the student treasurer and central treasurer signatures are required.

Finding

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 these receipts are limited.

Recommendation

The District should review NYSED's Finance Pamphlet 2 for all aspects of control over Extraclassroom Activity Funds. However, as it relates to cash receipts, the District should consider the following:

All donations should be documented in the minutes of each Club receiving donations as soon as they are received. The minutes should be signed by the Club officers and maintained as part of the official records of the club. In addition the copy of the check or other documentation, such as a letter from the donor, should be filed with the cash receipts documentation.

The District should consider issuing pre-numbered receipts to all Clubs with directions as to when a receipt should be issued, i.e. anytime an individual collects money from another individual. Periodically, the pre-numbered receipt books should be collected and reconciled to the cash receipts recorded.

The District should require all fundraising activity to be supported by a ticket reconciliation for events for which admission is charged. Any fundraisers involving the sale of inventory should be supported by an inventory reconciliation form which should be attached to the cash receipt.

To provide a system of checks and balances, all clubs should be required to prepare a statement of profit and loss for each fundraising event held. This will institute a sense of accountability as each event will be reviewed for effectiveness and efficiency.

Finding

Our testing of forty-one High School receipts identified two instances where the date on the bank deposit slip was greater than seven days compared to the date on the statement of deposit prepared.

Recommendation

We recommend more timely deposits into the bank. From the time the statement of deposit is prepared to when the money is deposited into the bank should take no longer than one week. This is the money of the students and it should be available for use in a timely manner.

INACTIVE CLUBS

Finding

Our audit procedures identified five different clubs that have been inactive for more than two years and still carry a cash balance.

Recommendation

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

CLUB LEDGERS AND FINANCIAL REPORTING

Finding

Club ledgers are an important and required part of the accounting records for Extraclassroom Activity Funds. 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. During our testing we noted that ten High School club ledgers could be located. As a result, twenty disbursements out of forty-one tested and twenty-seven receipts out of forty-two tested could not be traced to the club ledgers.

Recommendation

Per the NYSED pamphlet for Extraclassroom Activity Funds, the student activity treasurer shall keep a ledger showing all receipts and disbursements and indicating a daily running balance, which shall be on a form prescribed by the Board of Education. He/she shall file all supporting data chronologically as evidence for the entries made in the ledger. The faculty advisor shall guide the student treasurer in posting his account ledger and from time to time shall check the balancing of the student activity treasurer's accounts and the completeness of their supporting evidence.

Finding

Through our audit procedures we noted that no budgetary estimates of necessary receipts and disbursements of each club were made and documented.

Recommendation

Per the NYSED guidance, each club should annually budget receipts and disbursements and a copy filed with each the chief faculty advisor, central treasurer, faculty advisor, and student activity treasurer.

We would like to thank the management and staff of Ravena-Coeymans-Selkirk Central School District for their cooperation during the course of the audit. There are many favorable areas within the Fund upon which we have not made comment. Please understand that the nature of this letter is to recommend improvements. We will review the status of these comments during our next audit engagement.

This report is intended solely for the information and use of the Board of Education, Audit Committee and management of Ravena-Coeymans-Selkirk Central School District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Marvin and Company, P.C.