



School Activity Funds & Audits 2022- 2023

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Internal Auditor

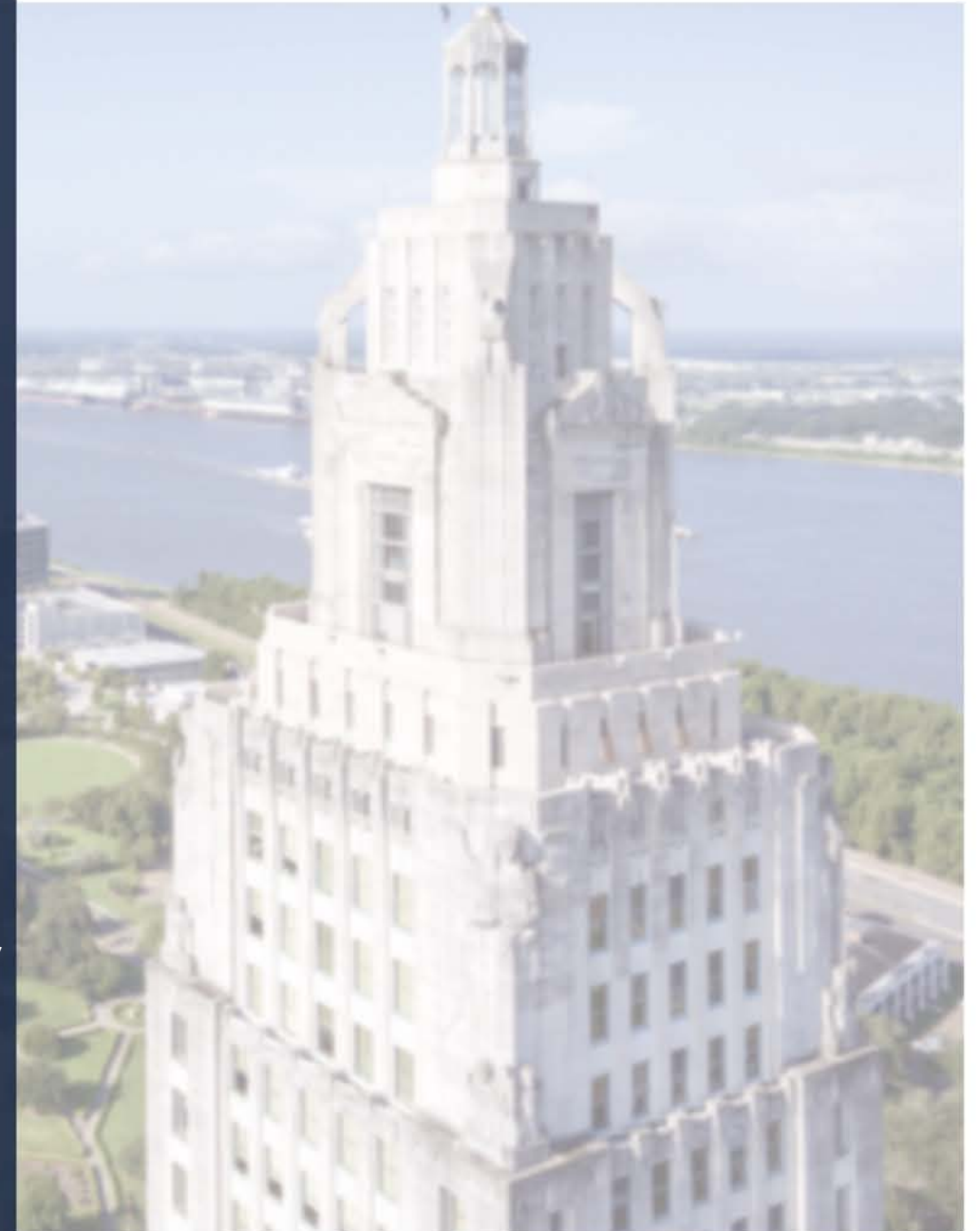
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July 27, 2022





Introduction to School Accounts & Auditing Presentation

Audit Attributes and Rating Scale

School Activity Forms (SAF) & Compliance

Reporting & Expectations

Self-Care





Audit Rating Samples

- Every high school will be audited every year either by the internal audit department and issued an audit rating. Middle and Elementary will continue in EBRPSS audit rotation.
- Principals are notified first, followed by school secretaries/bookkeepers
- For internal audits, school accounting will begin within a couple of days of the school being notified.

At the conclusion of the audit, an exit meeting will be set up with the principal to review the findings. After the exit meeting, all schools are required to submit signed corrective actions for ALL of the findings noted on the audit report.

- The audit will consist of a sample of the following sections:
 - Disbursements
 - Voided Checks
 - Deposits
 - Class, club, athletic, field trip fees
 - Fundraisers
 - Faculty –Coke commission and NFCU rebate will be audited at every audit
 - Athletic game gate reports



Audit Attributes Disbursements

Disbursements

- Does the disbursement have two authorizing signatures?
- Does the withdrawal have prior written approval from the principal.
- Does the withdrawal have the account name and account number to be charged which matches the chart of accounts?
- Is there proper explanation on the withdrawal for the expense?
- Does the withdrawal have an original invoice showing proper receipt of approved goods and/or services or some other authorized detailed document that is mathematically accurate with proper pricing?
- Supporting documentation for transfers?
- Is the properly completed check signed by authorized personnel?
- Is the RFW/check request, once paid, marked with the check number used to pay it, the date paid, and the amount paid?
- Was the transaction coded to the properly authorized account?
- Was the invoice paid in a timely manner?
 - Within 30 days or by due date on invoices
- Were payments made to individuals in compliance with EBRPSS Policies?
- W-9 on file for payments to individuals?



Audit Attributes Receipts

Receipts

- Is the receipt number listed on the school deposit receipt?
- Is the depositor/sponsor's signature on the receipt?
- Is the secretary/bookkeeper signature on the receipt?
- Is the purpose of payment identified and detailed?
- Is an individual listing of each student's name and amount collected provided by the depositor?
- Does the account number and name listed on the SDR agree with the chart of accounts?
- Are the receipts properly coded to the correct journal?
- Are all the changes initialed?
- Does the cash and checks per school deposit receipt agree with the cash recorded on the bank deposit slip?
- Were funds deposited in a timely manner?
- Was the journal adjustment/NSF properly coded?
- Is a prenumbered receipt attached for each item listed on SDR and completed with mathematical accuracy (if applicable)?



Audit Attributes

- Class/Club/Athletic/Field Trip
 - Is there an approval form signed and dated by the principal for the collection of class fees, and club fees.
 - Were the parents notified in advance and in writing as to the detailed use of the fee being collected from students?
 - Are the supply money expenditures spent for classroom supplies and materials only and not for permanent equipment (computers, printers, desk, etc.) or transfers allowable? Are there proper expenditures for club fees or field trips?
 - Are the expenditures made after April 15th of the school year reasonable?
 - Are teachers balances for class fees transferred to the school's General Fund at year end?
 - Was there a log accurately maintained of students that have paid and not paid their class fees? *(Provide a roster to all teachers at the beginning of the school year.)*
 - Is the list of students who have not paid and the unpaid amounts submitted to the office at year end and computed with mathematical accuracy?
 - Are receipt books properly maintained?
 - Are all receipts listed in the receipt book accounted for on a SDR ?
 - Are funds turned into the office timely?
 - Were receipts issued for collections to all participants at the time of collections?





Identify Weaknesses: Review past audits, define financial goals, accountability partners, and set standards for your team.



Action Plan Review monthly statements, cash flow, and deal with all discrepancies timely.



Obstacles Leaders Face: Why am I the responsible party for errors made in reporting and bookkeeping?



Overcome Obstacles Do not issue receipts, sign off on checks, or sign any other items without proper documentation.



Start Date: Set expectations on day one.



Accountability Date/ End Date Hold yourself and Staff accountable to the end.

How to Avoid Issues When Audited



Audit Rating Scale

92 -100

Excellent

83 – 91

Good

74 – 82

Fair

65 – 73

Unacceptable/Monitoring

64 and below

Noncompliant





WHY ARE WE RESPONSIBLE FOR SO MUCH DOCUMENTATION?

Good Morning Rhondalyn,

Please see a comprehensive list of items below we need for the School Activities portion of our testing. Please let me know if you have any questions.

1. **XXXX High:** All 12 monthly banks reconciliations, statements, and supporting documentation for (07/01/21-06/30/22)
2. For audits/secretarial observations performed from 07/01/21-06/30/22
 - a. A comprehensive list of schools that were audited/secretarial observations were performed for
 - b. Risk Assessment with formulas
 - c. Risk Assessment Methodology
 - d. Copy of reports
 - e. Findings
 - f. Corrective Action Plans developed, signed by principal & secretary/executive director, and implemented by principals
 - g. Documentation of the correspondence regarding findings & corrections made

*Thank you,
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School Activity Funds (SAF)

- **Principals are ultimately responsible for **ALL** school activity funds.**
 - Principals should sign and date all school activity funds documents themselves.
 - Secretaries/bookkeepers are not allowed to date, make corrections, or initial changes related to the principal's signature.
 - Stamp signatures are not allowed on any school accounting documentation.
- Secretaries and bookkeepers (account clerk support) are responsible for maintaining the day-to-day functions and making sure that administration, faculty, staff, and volunteers are aware of their responsibilities and requirements.
- SAF are totally separate from district funds (District General Fund, Title I, Magnet Academy).
 - When school accounting comes to your school for assistance, we are only assisting with school activity funds.
 - School specific correspondence will be provided via email.
- Documents are listed on District Quick Links/School Accounting website.





COMPLIANCE FORMS

**East Baton Rouge Parish School System Guidelines For
Handling School Funds (SAF#1) Sponsor's/Teacher's**

**East Baton Rouge Parish School System
School Administrator Guidelines for Handling School Funds
(SAF#2) Principal/A.P./Secretary/Bookkeeper/Clerical
Assistant**

These forms are due to School Accounting by **September 30th**.
Scan/email or pony mail is acceptable.
Maintain a copy on your school's campus.
Could result in audit findings if not received.



Monthly Bank Reconciliation Report

- Monthly reports are due by the 15th of the following month.
 - Schools are encouraged to sign up for “view only” access with their banks.
 - Notify School Accounting of the need for an extension and an estimated completion date. If a late notice is not received an email will be sent to the school secretary/bookkeeper, principal, director of schools, and chief administrative Officer up to the Superintendent.
- SAF 15– Use this cover page checklist to ensure all required reports are provided.
- When reports are received, we review it for accuracy and contact schools regarding changes and/or corrections
 - Changes and/or corrections must be made as soon as you are made aware of it.
- Cash on hand MUST be at \$0.
 - If there is a balance in your cash on hand account, it will be sent back to you for corrections.
- Accounts MUST be in balance.
 - If there is an error message, the issue must be corrected before submitting to School Accounting.
- School Accounting Guidelines Appendix F
 - Month end procedures (step-by-step)

Monthly Bank Reconciliation Report

- A monthly breakdown of the NSF account must be included. This breakdown should be a separate log of all outstanding NSF's and not a copy of the reconciliation report for the NSF account.
NSF breakdown document on quick links. All NSF checks must be recorded using the SAF NSF Breakdown and included with the reconciliation report.
- After completing the monthly financial reports each month, the "CLOSE MONTH" feature in EPES must be utilized.

DO NOT FORCE BALANCE!

All errors must be located. Do not enter a journal adjustment to force your accounts to reconcile.

If force balance is suspected, an email will be sent notifying school and district administration immediately.

School Deposit Receipts (SDR) SAF#5

- Must be completely filled out to include:
 - System generated SDR number
 - Account name and number – must match chart of accounts
 - Signature of the depositor
 - Initial/signature of the secretary/ bookkeeper
 - Secretary/bookkeeper must never complete a SDR or collect money.
 - Verifies listing and accuracy of funds collected
 - Source of funds/explanation of deposit which must be **SPECIFIC** to the collection of funds and support account funds are being deposited to.
 - Listing of individuals students first initial and last name or full first and last name.
 - Sales, start-up, book fair sale student's first initial and last name or full first and last name.
 - Gate Collection, concessions, pencil sale, acceptable for those collection
- Changes must be initialed by the person making the change.
- Bank deposit slips must be attached to the SDR sequential report.
 - Night drop deposit receipts MUST be obtained from the bank within two business days after the drop-off.**
- All funds must be deposited in a timely manner, within 24 hours or one full business day. **NO** funds are allowed to be held in a classroom overnight.

School Deposit Receipts (SDR) SAF#5

1. Receipt dates in EPES MUST match the SDR date.
2. Do not use the date that you are inputting receipts or the date that it was deposited at the bank.
3. The secretary/bookkeeper must date stamp the SDR on the date that it is received from the teacher/sponsor
4. Requirement based on legislative audit procedures

All SDR's must be supported

1. Fee/fundraiser collections - teacher / sponsor receipt
2. Concession - inventory reconciliation
3. Book fairs – register receipt
4. Ticketed entry events - ticket sales report gate (SAF #7) and the ticket control log.

Donations – donor letter / check stub

1. Commissions – commission letter / check stub
2. Depositor must collect funds, issue receipt to payee, and complete/turn in SDR all on the same date.

Example:

- Orientation collections-all documentation must be completed and turned in before leaving for the evening.
- Funds will be locked in a vault in the administrator office, not in a teacher/sponsor possession.



REQUEST FOR WITHDRAWALS (RFW) 1of2

- Must be completely filled out prior to purchases to include:
 - Account name and number – must match chart of accounts
 - “Prior Approval Not to Exceed” amount (changes must be initialed by principal)
 - Signature and date of the account sponsor
 - Must match chart of accounts
 - Secretary / bookkeeper can sign as sponsor on the general account ONLY in the absence of the assistant principal.
 - Signature and date of the principal / assistant principal
 - Must match SAF #8
 - Principal ALWAYS signs as principal
 - Assistant Principal signs as sponsor for accounts where principal is listed as sponsor.
 - Common audit finding – date missing or it’s not the principals handwriting



RFW 2

Continued: Detailed explanation or purpose of payment must be specific.

“ETC” is not acceptable. Field trip and travel reimbursements must include place and date of the trip. Only items listed at time of preapproval qualify for payment / reimbursement.

Invoices

- Pay within 30 days from the date on the invoice or by the due date specified on the invoice, whichever is sooner.
- School is responsible for obtaining and paying transportation invoices weekly.

Include a copy of the invoice with the payment

All RFW must be supported

- Original receipt-must be dated and detail all items purchased
- Invoice-must be dated and detail items purchased
- Emailed invoices-must be dated and detail items being purchased
- Transfer RFW's must have supporting documentation for the amount of the transfer.
 - ****Common audit finding* EBT CARD USAGE WILL NOT BE REIMBURSED***
 - ***Copy of account reconciliations – prior to transfer***
 - ***Copy of fundraiser reconciliations***
 - ***Proof of original payment for refunds***

VENDOR INFORMATION

- All vendor information must be completely entered into EPES prior to issuing check.
- Obtain completed Form W-9 prior to issuing check
 - Shared drive has completed forms from prior years.
 - Best Business Practice – Inform sponsors of this requirement when they request prior approval – Do not wait until the check needs to be issued.
- This will help with completing IRS Form 1099's at the beginning of the calendar year, issuing stale dated letters for checks outstanding for more than 6 months, and sending funds to Unclaimed Property that are outstanding for more than 1 year. SAF#14B is used each time you utilize officials and 1099 security detail to tract address changes.
- ***Reimbursement to Employees: Payments to employees or substitutes (including bus drivers) funded by school activity funds must be processed through payroll.***

Stale Dated Checks

*** One year holding period***

- DO NOT VOID CHECKS JUST TO REMOVE THEM FROM THE OUTSTANDING CHECK LIST!
Checks will be voided and reissued to Unclaimed Property for any checks where a payee does not process within a year.
- Stale date letters must be send out to the payee once the check has been on the outstanding list for 6 months from the issue date of the check.
- Outstanding check list needs to indicate when stale dated letters are sent out and on year end outstanding check listing.
- Proper procedures for reissuing a stale date check to the payee.
Payee must read and sign a Stale Date Check letter and return to the secretary/bookkeeper
Write void on the original RFW (if available)
Make a copy of the RFW and receipts/invoices attached
Void the check in EPES
Process a new check and write the new check number, date, and amount of check on the RFW.

Working Lunch

To qualify for public use of funds for meetings, trainings, and workshop:

- Must have a public purpose (as it relates to the EBR Parish School District)
- (2) Must have a value to the public
- (3) Must have proper approval by District
- (4) Cannot be events conducted in the normal course of business In addition, the following documentation must be provided:
 - Agenda/schedule of the event
 - (2) Number of persons attending (anticipated)
 - (3) Cost of the meal not to exceed \$10.00/person for lunch
 - (4) Refreshments may be provided for events hosted for three (3) or more hours.

Refreshments Include: Coffee, juice and light t snacks. Lunch should only be provided if the event is an all-day event.

To qualify for reimbursement for public use of funds for meetings, training, and workshops: (1) Agenda/schedule of the event

- (2) Sign in sheet for the event or list of persons who attended the event
- (3) Method of payment (if not paid by the District)

Disallowed specific transactions include but not limited to:

- (1) Gift card purchases for employees. Purchases for students should be limited to educational items (i.e., Barnes & Noble, School Aids, etc.) A sign-in sheet should be attached to verify proof of receipt.
- (2) Meals for vendors, consultants, and other non-District personnel unless otherwise stated in a contractual agreement
- (3) Admission for activities/events held at an offsite facility; Expenses other than the actual cost of the room/building must be paid for with personal funds

Note:

If there is any doubt whether regarding the transaction, verify before making the purchase.

Field Trips

- **All** field trips must be approved by the principal.

DO NO PLAN/PAY FOR A TRIP WITHOUT THE PRINCIPAL'S KNOWLEDGE

A copy of the field trip invoice details must be provided to verify approval.

- The amount being requested from students should be enough to cover all expected expenses associated with a single field trip.
- A letter must be sent home to the parents notifying them of the field trip fee and the **detailed use** of the fee. **The items listed on this parent letter are the ONLY items that the fee can be used for.**
 - Schools are not allowed to use remaining field trip fees on any other activity.
- Teachers are required to maintain an accurate class log of all students who have paid and have not paid their field trip fee. This log should also include teachers/chaperones who will be attending the trip.
 - Receipts must be issued for all fees collected at school.
- Yellow copies of both the RFW and SDR must be maintained with the teacher's files.



Fundraisers SAF#10

- SAF Form 10 Fundraiser Approval Form must:
 - Receive prior written approval from the principal (signature and date).
 - Provide a **detailed** explanation of what the profits will be used for.
 - School account auditors suggest that percentages are used when allocating the profit to different activity accounts.
 - The profit usage is not the expenses of the fundraiser.
 - Provide promotional material if a percent of the profit is allocated to Employee Appreciation.
 - This promotional material needs to be what the public will see when purchasing item(s).
- Sponsor signature at the bottom.
 - Sponsor acknowledges and understands what documentation, at a minimum, is required.



Fundraisers SAF#10

Ticket Sales Report Gate (SAF #3) must include the following:

- Home School including sport or other ticketed event
- Opponent
- Date of event
- Ticket seller (print)
- Gate Change (start-up)
- Tickets Issued to Ticket Seller (This is the range of tickets given **BEFORE** the event to sell) The first number to be issued and the ending number must be listed.
- Tickets Remaining **AFTER** Event (This is the range of tickets returned unsold after the event) The next number available for sale and the ending number of the roll must be listed.
- Tickets issued during the event is the difference between the first ticket remaining and the first ticket sold.



Athletic Game Gates/Tickets

Ticket Sales Report and (SAF #7) must include the following:

- Home school including sport or other ticketed event
- Opponent/Event
- Date of event
- Location
- Ticket Seller (print)
- Gate change (start-up)
- Tickets Issued to Ticket Seller (this is the range of tickets given **BEFORE** the event to sell) The first number to be issued and the ending number must be listed.
- Tickets Remaining **AFTER** Event (this is the range of tickets returned unsold after the event) The next number available for sale and the ending number of the roll must be listed.
- Tickets Issued during the event is the difference between the first ticket remaining and the first ticket sold.



Booster Club

- Schools are allowed to have booster clubs.
 - Booster club must have a separate tax I.D. number and a separate bank account.
 - The name of the booster club must not include the name of the school.
 - Fundraisers can only be conducted using the school's name and/or mascot as long as they receive written permission from the school's principal or the superintendent.
 - Fundraisers can only be conducted on the school's campus if they receive written permission from the school's principal or the superintendent.
- Principals need to make sure there is a clear understanding of the role of the booster club (i.e., fundraisers, donations to school, etc.)





School Bank Account Changes/updates and Fraud

- **Request to Modify Form**

- Use this form to add / change / delete any information related to bank account.
 - Located on the school accounting website and the “quick links” tab.
 - Send to School Accounts Auditor’s Office
- Signature cards must be sent to Central Office to obtain signatures of the Superintendent-Business Services.
 - FRAUD REPORTING – Individuals should notify the Principal (School Leadership) and Internal Audit office immediately upon discovery of any missing funds or if you have any reason to believe that funds have been mishandled by any employee. Anonymous reporting is available.





Reminders

- Compliance forms are due to School Accounting by **September 30th**:
 - SAF Form 2 Principal/Assistant Principal/Secretary/Bookkeeper/Clerical Assistant
 - SAF Form 1 Sponsor's/Teacher's Responsibilities for sponsors for ALL financial activities
- The note section in the EPES system should be utilized. If used properly, this can reduce the number of calls or emails from School Accounting in regards to various activities.
- Reconciliation reports must be given to each account sponsor monthly to verify accuracy of all transactions in their account.
 - This report should be signed and returned to the secretary/bookkeeper monthly





Reminders

- Any donation to employee appreciation must be supported by a **letter** from the donor specifying that the donation is for employee appreciation. This letter must be available for audit.
- After completing the monthly financial reports each month, the “CLOSE MONTH” feature in EPES must be utilized.
- **ALL** contracts must be sent to the director of Risk Management for review prior to receiving the signature of the superintendent. (memo dated 11/23/2020.)
- When there is a change in principal, assistant principal, secretary/bookkeeper and/or clerical assistant, SAF Form #2 needs to be updated and sent to School Accounting. For principal and assistant principal changes, the bank account signatures need to be updated.





Reminders

- Be sure to sign documents that require signatures. **DO NOT INITIAL!!!** If the document asks for a signature, sign.
 - SDR requires the depositor/sponsor signature. Initialing in this area will be an audit finding. The bookkeeper can initial on the SDR.
 - Stamp signatures are not allowed. Principals must sign and date their signature.
- Principals must always sign as principal on RFW.
 - If the principal is listed as the account sponsor, the principal will sign as principal and the assistant principal will sign as the account sponsor.
- Central Office Payments – (Technology Fees)
 - Technology is approved to charge a \$10 Chromebook issuance fee for each student. These funds will be withdrawn from the school account.





Louisiana Board of Ethics

225-219-5600

Staff Attorneys are available to answer questions
annual ethics training

Every public employee is required by the state of Louisiana to take a 1 hour ethics training course **annually**. It is the employees' responsibility to meet this annual requirement.

www.ethics.la.gov

Public School Works

Ethics Reminder Surrounding:

Christmas holidays and teacher appreciation

Food and Drink Regulations

Gifts

Memo on Public Fund Usage

There are consequences and penalties for not adhering to the Code of Ethics and policies in place concerning school activity funds.





Reminders

Fundraisers being held for more than 3 months must be reconciled on a quarterly basis.

Annual Ethics Training

Every public employee is required by the state of Louisiana to take a one hour ethics training Course annually. It is the employees' responsibility to meet this annual requirement.

www.ethics.la.gov

Training is important. Ensure all employees know there are penalties for violating the Code of Ethics.

Request to Modify/Open Bank Account form available on school accounting website and the admin quick link spreadsheet

Notify School Accounting as soon as possible regarding the absence or separation of the secretary/bookkeeper.

Petty Cash

Schools are allowed to have \$100 petty cash fund.

Checks should never be made payable to "cash" or "petty cash".

Child Nutrition

Food items given or sold to students, including rewards and incentives, must follow Child Nutrition guidelines.



SCHOOL ACCOUNTING STAFF

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School Accounts Auditing 2022- 2023

Rhondalyn Williams

Internal Auditor

Ending Session

July 26, 2022

