

STUDENT ACTIVITY FUND

Brookfield's Student Activity Fund is a source of concern for taxpayers, elected officials, students and parents that participate in the fund. It is also a concern for the present leadership team at the BOE.

The legal basis for the Student Activity Fund is CT General Statutes Sections 4-52 through 4-55. In many cases the accounts are described as "Principals Accounts". They are intended to facilitate co-curricular activities sponsored by students and/or teachers.

In Brookfield the "principal's student-activity accounts" were consolidated into a single fund administered at Central office. Custom software (the MS Access based SAM program) was written to maintain the records. This software was used until July of 2014. Immediately upon starting his tenure in Brookfield, Interim Finance Director Gregg Miller purchased a well-established Student Activity software package from Harris School Solutions. In contrast with the custom software, the Harris product follows generally accepted accounting principles and has an audit trail. Mr. Miller oversaw the transition of the accounting records from the custom software to the Harris software.

Mr. Miller delegated responsibility for issuing checks from the Harris system to the Accounts Payable Specialist. He also personally reviewed and approved each expenditure from the account.

In 2015 more progress was made. The account was moved from Webster Bank to Union Savings Bank (where all other Brookfield accounts are kept) – to improve visibility to the account. When establishing check signing privileges the existing practice of one signer, either the Accounting Supervisor or the Director of Business and Operations, was improved. Two signers are now required for all expenditures; the potential signers are the Superintendent, the Director of Special Education and the Director of Business and Operations. Only the Accounts Payable Specialist can produce checks.

It has been widely reported that the balance in the Brookfield account is approximately half a million dollars. The 2014-15 audit reported an available balance on June 30, 2015 of \$453,111. The balance on December 31, 2015 was \$471,569. It is important to understand that this balance represents the holdings of Central office, all four schools and nearly 200 student organizations. The organizations range from first grade field trips to birthday clubs to BHS DECA to S.A.A.D. to receipts for football and basketball games. The balances held by organizations vary from no balance to tens of thousands of dollars for some high school activities.

As a result of the history of this account, the Board of Finance requested that the 2014-15 audit focus on this fund. To the best of our knowledge there were no negative findings associated with the account in 2014-15. A forensic audit was also completed regarding this account in 2014-15; there were no negative findings associated with it.

As reported above, significant steps have been taken with respect to this account; however, more needs to be done. Part of the scope of the Blum Shapiro policy and procedure review is to review this account and make recommendations to improve its management and transparency. The present administration is committed to improving the management and transparency of these funds.