Northport-East Northport UFSD
Revenue & Cash Management cycle
For the School Year Ending June 2018
Corrective Action Plan

Initial Risk Assessment Report
Nawrocki Smith LLP

Findings & Recommendations	District's Response	Responsible Staff Member	Status
Findings: The District has adopted Board approved policies, maintains employee job descriptions, and has developed standardized forms to document various revenue streams. Although the District is performing procedures as documented within our enclosed narratives (See Exhibits 1 through 11) the District has not developed formal guidelines regarding the collection and posting of cash receipts from the following revenue sources: real property tax, state aid, out-of-district tuition, use of facilities, and donations, as well as procedures for petty cash and bank reconciliations. Revenue and cash management procedures are currently carried out based upon past practices and verbal guidelines provided by prior and current Administrators. Recommendations: The Business Office should develop documented guidelines and procedures for the collection and posting of cash receipts from the following revenue sources: real property tax, state aid, out-of-district tuition, use of facilities, donations and vending machines, as well as procedures for petty cash and bank reconciliations. The documented procedures should be reviewed and updated annually to maintain relevance, and reflect regular changes in the business operations environment. The	The district will formalize its existing procedures in written form utilizing the existing narratives for revenue and cash management.	Treasurer/ Assistant Superintendent for Business	Completion target: December 1, 2018

Findings & Recommendations	District's Response	Responsible Staff Member	Status
narratives attached to this report should serve as supplemental enclosures to the District's documented procedures.			
Findings: The District did not have a contract, memorandum or other documentation on file for three (3) out of ten (10), or 30.00%, of out-of-District tuition billings tested indicating that the District of Residence will be financially responsible for the services provided by the District Recommendations: The Business Office and the Pupil Personnel Services Department should obtain the proper documentation to support that the District of Residence will be financially responsible for the services provided by the District.	The state has issued guidance that a contract is not required for district of location and district of residence since it is a statutory requirement to provide and bill for those services. The district will review the cost/benefit of securing contracts for every District of Residency situation.	Treasurer/ Assistant Superintendent for Business	Completion target: Currently under review
Findings: We analyzed a random sample of ten (10) donations received by the District during the fiscal year 2017/2018. Based upon the testing procedures performed we noted that two (2) donations did not receive Board of Education approval prior to being deposited and entered into nVision. Recommendations: The Business Office should receive approval from the Board of Education prior to depositing funds and entering collections into nVision. This will ensure that the District receives donations based on the acceptance of the Board of Education within existing policy.	The district is implementing procedures in order to prevent donations from being deposited prior the Board of Education accepting those donations.	Treasurer	Completion target: October 1, 2018

Findings & Recommendations	District's Response	Responsible Staff Member	Status
Findings: The District does not have a written agreement with the vending company that is responsible to manage its vending machines. Recommendations: The District should maintain a formal written agreement with the vending machine company that will determine the terms of managing the vending machines for the District in accordance with the District's wellness policy and providing detail accounting and reporting of vending machine sales.	The district will review vending machine documentation and address any compliance issues with district policies.	Assistant Superintendent for Business/ School lunch supervisor	Completion target: November 1, 2018
Findings: We noted that one (1) out of ten (10) petty cash replenishments tested, or 10.00%, reimbursed an expense more than $15, which is the dollar limit indicated on the District's Petty Cash Reimbursement Form. It was indicated that this was a past practice and the District does not have a dollar limit formally documented. Recommendations: The District should review its policies/procedures for petty cash and determine an appropriate dollar limit for expense reimbursements. This limit should be set in accordance with applicable Education Law and New York Codes, Rules and Regulations. Once established this limit should be communicated to all Petty Cash Custodians and the District's Petty Cash Reimbursement Form should be updated. This will enhance the District's internal controls over its petty cash funds and reduce the risk of purchases being made outside of the normal	The district will review its policies and procedures for petty cash and will update its petty cash form for consistency.	Treasurer/ Assistant Superintendent for Business	Completion target: December 1, 2018

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Findings & Recommendations	District's Response	Responsible Staff Member	Status
purchasing cycle.			
Findings: We noted that not all the District's depository accounts are secured by a pledge of eligible securities with an aggregate market value equal to 105% of the aggregate amount of deposits, as required by District Policy. Recommendations: The District should review its depositories to ensure they are collateralized to 105% of the aggregate amount of deposits, as indicated in the District Policy. In the event they are not, the District should inform its service provider of its policy requirements. This will enhance the District's internal controls over its deposits/investments.	The district has informed all banks of our collateralization threshold and we conduct a collateral verification process to ensure compliance.	Treasurer	Completed