

October 15, 2020

MEMORANDUM

To: Janice Briscoe, Ed. D., Instructional Director
Cluster 7

Chanita Stamper, Principal
Hyattsville Middle School

From: Michele Winston, CPA, Director
Internal Audit

Re: Student Activity Funds Financial Audit as of August 31, 2020

An audit of the financial records for **Hyattsville Middle School** was completed for the period July 1, 2016 through August 31, 2020. The audit indicates that the school's financial records and procedures require improvement to be in accordance with the Accounting Procedures Manual for School Activity Funds (APM) and Board of Education (BOE) policies and procedures. The exceptions noted are included in the attached report.

As the principal of the school, you will be responsible for preparing an action plan by **November 16, 2020**, indicating steps that will be taken to ensure compliance with the APM. Please note that you are required to provide your signed and dated action plan using the attached Microsoft word template and any other correspondence to the Internal Audit Office, email address: internal.audit@pgcps.org. A copy of the action plan should be forwarded to Danyelle Washington, Business Analyst, email address: dany.washington@pgcps.org; Deborah Smalls, Business Operations Technician, email address: deborah.smalls@pgcps.org; and Joeday Newsom, Esq., Ethics Compliance Officer, email address: joeday.newsom@pgcps.org.

CC:

Alvin Thornton, Ph. D., Chairman Board of Education
Monica Goldson, Ed. D., Chief Executive Officer of Schools
Members, Board of Education
Christian Rhodes, Chief of Staff
Michael Herbstman, Chief Financial Officer
J. Michael Dougherty, Director, Financial Service
Helen Coley, Ed. D., Chief, School Support and Leadership
David Curry, Ed. D., Associate Superintendent, Area 2
Joeday Newsom, Esq., Ethics Compliance Officer
Robin Welsh, Director of Monitoring, Accountability and Compliance
Suzann King, Esq., Executive Director, Board of Education
Janice Walters-Semple, CPA, Supervisor Internal Audit
Alicia Robinson, Internal Auditor II

Internal Audit Report

Hyattsville Middle School
Student Activity Funds

For the Period Ended August 31, 2020

**Hyattsville Middle School
Student Activity Funds
Internal Audit Report
For Period Ended August 31, 2020**

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**Hyattsville Middle School
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Internal Audit Report
For Period Ended August 31, 2020**

Internal Auditor's Report

We have examined the Student Activity Funds (SAF) of Hyattsville Middle School for the period July 1, 2016 to August 31, 2020. Hyattsville Middle School's principal is responsible for the administration of the SAF. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and Generally Accepted Government Auditing Standards and, accordingly, included examining, on a test basis, evidence supporting SAF, and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Our examination disclosed the following findings:

- *Record Retention;*
- *Mismanagement of Funds Received;*
- *Mismanagement of Disbursements;*
- *Restricted Account Deficits; and*
- *Delinquent Financial Reporting*

The findings resulted in a material deviation from Board of Education (BOE) policies and procedures and the requirements of the Accounting Procedures Manual for the School Activity Funds (APM).

In our opinion, the SAF referred to above, **requires significant improvement** to achieve compliance with BOE policies and procedures and the APM, in all material respects, for the period ended August 31, 2020.



Michele Winston, CPA
Director, Internal Audit

**Hyattsville Middle School
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Internal Audit Report
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SUMMARY

The Internal Audit Department completed the initial audit of the student activity funds (SAF) for Hyattsville Middle School for the period July 1, 2016 to August 31, 2020. This audit was conducted as part of the annual audit plan.

Detailed findings from the current audit are cited on the following pages with accompanying recommendations for corrective action.

OBJECTIVES

The objectives of the audit were to determine the effectiveness of the system of internal controls and whether the school was in compliance with the policies and procedures of the Accounting Procedures Manual for School Activity Funds (APM) and the Board of Education (BOE). It is important to recognize that, while the audit report focused on deficiencies, it was intended to be constructive. The audit was not designed and conducted to evaluate the effectiveness of the educational programs in the school. Therefore, the absence of comments related to the educational programs should not be construed to imply that these programs are either adequate or deficient.

SCOPE

The audit was based on our examination of selected bank statements, financial reports, cancelled checks, voided checks and Monetary Transmittal Form (MTF) envelopes submitted for the period July 1, 2016 to August 31, 2020. Also, available receipts, disbursements and supporting documentation were reviewed for the said period. The examination was limited to documentation that was available for review. (*See 2021.01 Record Retention*).

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FINDINGS AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations:

2021.01 Record Retention

The school could not locate the following financial records to substantiate SAF transactions:

- **6** Cash Receipt Records – FY 2017, FY 2018, FY 2019 – prior to 12/14/18 and after 04/20/19
- **15** Disbursement Records – FY 2017, FY 2018, FY 2019
- **19** Cancelled Checks – FY 2018
- **18** Voided Checks – FY 2017, FY 2018, FY 2019
- Fundraiser Forms – FY 2019: SGA Candy Sales, Library – 2 Book Fairs; FY 2020: CPA Magnet Dance Concessions & Photo Stand and PBIS Winter Dance
- **14** Staff Members’ End of Year MTF Envelopes – FY 2017, FY 2018, FY 2019 (14 of 19 staff members’ could not be located)
- MTF logs – FY 2017, FY 2018, FY 2019

The APM section *6.12 Record Retention* indicates that all SAF records must be retained for a period of 7 years and or until audited, including the current fiscal year. This includes, but is not limited to, financial reports, bank statements, receipts, disbursement authorities, Monetary Transmittal Forms, School Funds Expenditure Forms, cancelled checks and contracts.

The principal and recordkeeping staff could not explain reason as why the financial records were not available. There was a change in administration in October 2019 and July 2020. There was a change in recordkeeping staff in September 2019 and February 2020. According to the former recordkeeping staff, financial records were maintained in her office, the main office supply closet and/or a closet down the hallway from the office. However, the current principal and office staff were unable to locate the files. It could not be determined when the financial records went missing.

Evidence for determinig that internal controls for ensuring that all SAF policies and procedures were followed are removed when financial records are unavailable for review.

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Recommendations: The following recommendations are made to ensure adequate records management:

- A. An adequate filing system must be implemented to help ensure that in the absence of the recordkeeping staff or principal, financial documents would be properly filed and is accessible to those with authorized access.
- B. The principal should ensure that all financial records are labeled and maintained in a secure location.
- C. All financial records should be retained and stored for the period established within APM section 6.12 *Record Retention*.

2021.02 Mismanagement of Funds Received

There were at least **15** instances of non-compliance regarding the management of funds collected during the audit period. The following issues of non-compliance were noted:

- A. ***Delinquent Remittance of Funds and Monetary Transmittal Form Date Change:*** There were at least **9** instances where funds collected for various school activities were held by staff for longer period than required and 1 instance where a MTF date was changed by the recordkeeping staff. Funds received by the recordkeeping staff were held between 4 and 119 days before deposits were made. There was 1 occasion in FY 2019, when the former recordkeeping staff received and approved MTF 388112 on 10/08/18. The former recordkeeping staff then marked through both the teacher's date and the approval date and changed the date to 02/04/19 as the deposit date resulting in delinquency of 119 days. The other 8 instances occurred when staff held funds for 5 to 13 days prior to remittance to the recordkeeping staff. ***This finding was noted during the previous audit period ended October 2015.***
- B. ***Inadequate Documentation:*** There were at least **5** instances where there was no supporting documentation to support collections, including 1 having no completed MTF to substantiate funds collected. MTF #388183 was completed for remittance of \$500.00 for a donation to Parent Engagement Activity, but the MTF could not be located despite evidence that the funds were deposited on 08/21/19. The remaining 4 instances, sufficient documentation to support remittance and deposit of funds was not available. ***This finding was noted during the previous audit period ended October 2015.***
- C. ***Prohibited Fundraiser:*** There was at least **1** instance in FY 2019 where funds totaling \$412.00 were collected and remitted on MTF #388142 for *Pennies for*

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Patients. In exchange, each student who made a donation received a “*Dress-Down Day*” pass.

The APM section 4.5.2.2 (1), (2) *Collecting Funds and Guidelines for Bank Deposits*, and (3) *Preparing Bank Deposits*, requires bookkeepers must make deposits of all funds received at least every other day. However, no more than \$250.00 should be kept in the building overnight. If money is kept on-hand at the school awaiting deposit, it must be kept in a secure location. Also, the APM requires the bookkeeper verify and ensure that funds received total the documentation attached to the MTF. Each respective MTF documentation should substantiate the funds remitted to the recordkeeping staff.

Also, the APM section 7.2.3 *Fundraising Activities* prohibits charging for “dress-down” days.

The former recordkeeping staff failed to deposit funds timely to the financial institution. The former recordkeeping staff indicated that there was a discrepancy with the funds remitted, hence the reason funds reported on MTF #388112 initially remitted on 10/8/18 were not deposited with the school’s financial institution until 02/04/19. Funds were not returned to the teacher until a review of the MTF log was later performed. Reportedly, the corrected funds were remitted and a delinquent deposit made. In other instances, staff held funds until the majority of funds were collected for a particular school activity prior to remittance.

Internal controls were not established to ensure that MTF documentation was provided to substantiate collection prior to verifying funds received and making deposit.

The former principal and sponsoring staff were not aware that “dress-down” days is a prohibited fundraising activity.

Delinquent deposits and inadequate supporting documentation to substantiate collections compromise internal controls required for efficient processing of SAF. Moreover, the information for ensuring adequate financial reporting is obscured when the required financial records are not adequately maintained or available to ensure timely processing. Staff were not held accountable for not remitting funds timely and/or remitting funds with adequate documentation. The source of funds and amount of funds cannot be verified when MTFs are not completed and/or when appropriate documentation is not attached to the MTF.

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Recommendations: The following recommendations are suggested to help ensure compliance with management of funds received:

- A. The staff must be held accountable for ensuring that all funds received are remitted daily to the recordkeeping staff and that the recordkeeping staff must be held accountable to deposit funds timely with the school's financial institution.
- B. The recordkeeping staff must ensure that all MTFs and supporting documents for funds remitted are retained by ensuring that an adequate records management system is established. Staff members must be required to provide required collection documentation to substantiate remittance prior to approval of MTFs.
- C. The principal should perform periodic review of collection records to ensure that **all** MTFs have appropriate documentation attached to verify purpose and source of funds. The recordkeeping staff and other staff members must be held accountable for compliance.
- D. The principal must notify staff that "dress down" days are prohibited as fundraiser.

2021.03 Mismanagement of Disbursements

There were at least **17** instances of non-compliance regarding the management of disbursements. The following issues of non-compliance were noted:

- A. *Delinquent Payment of Invoices:*** There were at least **4** instances where payments of invoices were delinquent. The delinquency ranged from **30** to **527** days. Three of the four payments were grossly delinquent by 181, 296 and 527 days respectively. During FY 2018, the school received an invoice dated 06/04/18 totaling **\$3,418.00** from the yearbook vendor. The invoice indicated payment was due in 30 days. A letter dated, 11/05/19, from the ***Commercial Collector's Inc.*** indicating ***Final Notice Before Legal Referral*** was sent to the school. On 12/13/19 the principal received a *Settlement Agreement* for the amount of **\$2,500.00** to settle the outstanding invoice, at which time the school paid resulting in the delinquency of 527 days.

Checks Issued with one Signature: There were at least **13** instances where checks were issued without dual signatures as required. Checks issued only included either prior principals' signature or the former assistant principal's signature.

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The APM provides the following guidance relative to administration of disbursements:

- A. Section 4.5.3.1 (2) *Cash Disbursement Inclusion of Supporting Documentation* requires that all invoices and/or reimbursements should be paid within 30 days of receipt and have appropriate documentation.
- B. Section 4.5.3.1 (4) *Cash Disbursement, Check Writing* indicates that two authorized signatures are required on all checks. In accordance with AP 4180, *School Bank Accounts*. The two standard check signers should be the principal and the bookkeeper. The third signer must be a vice-principal or school administrator. All checks must contain signatures affixed by the authorized individual signing their own name, not another person signing their name or using a signature stamp.

Internal controls were not established to ensure that vendor invoices were submitted timely to the recordkeeping staff and that vendor payments were processed timely. Internal controls were also not in place to ensure that checks were always signed by the required number of check signers prior to mailing vendor payments.

Internal controls are compromised when invoices are not paid timely and checks are issued with only signature. Financial records are distorted when invoices are not issued timely. Business relationships are jeopardized and the school's image tarnished when invoices are not paid timely. Moreover, inadequate controls around the check signing process increases the risk of check fraud. *This finding was noted during the previous audit period ended October 2015.*

Recommendations: The principal and recordkeeping staff must establish internal controls around the cash disbursement process to ensure that checks are disbursed as required. Specifically:

- A. The staff should be reminded that invoices should be submitted timely to the recordkeeping staff to facilitate processing in accordance with requirements of the APM.
- B. A check review process must be implemented to ensure that the dual signature requirement is consistently adhere to when issuing checks.

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2021.04 Restricted Account Deficits

There were **9** restricted accounts totaling **(\$12,834.30)** where deficits existed. The following summarizes those accounts:

Acct. #	Acct. Description	Balance
231.90	Girls Basketball Uniforms	(\$ 441.48)
315.00	Dance Club	(\$ 2,281.25)
316.00	National Honor Society	(\$ 1,115.86)
415.20	Technology	(\$ 225.24)
420.00	Field Trips	(\$ 1,092.31)
422.00	Principal's Book Club	(\$ 54.16)
450.20/30	PSA Food/Staff Appreciation	(\$ 7,419.58)
522.00	ESOL	(\$ 20.85)
585.20	Stem Fair	(\$ 183.57)
	Total	(\$12,834.30)

According to the APM, expenditures for all restricted accounts are limited to the amount of funds collected for those activities. Therefore, if restricted accounts exceed the available fund balance, the account is insolvent. As the fiduciary agent for the SAF, the principal should ensure that restricted accounts are solvent at all times.

Deficits in the restricted accounts occurred due to the former principals' failure to ensure that available funds was documented on SFEF prior to approval of purchases.

Overspending in restricted accounts results in insufficient funds being available to administer student activities and constitutes inappropriate funds mismanagement. *This finding was noted during the previous audit period ended October 2015.*

Recommendation: The following recommendations are suggested to return the restricted accounts to solvency:

- A. The principal should contact the Accounting and Financial Reporting Office for guidance on how to resolve the deficit accounts.
- B. The principal and financial recordkeeping staff should collaborate to ensure fiscal planning, budgeting and adequate review and that the school's resources are properly administered. The principal should perform consistent management

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oversight to ensure fiscal solvency.

2021.05 Delinquent Financial Reporting

There were at least **8** instances where the monthly reporting was not completed timely by the former, acting and current recordkeeping staff. Financial reporting delinquency ranged from **13** to **60** days. Also, there were **2** of the 8 instances where the former principal's (FY 2019) signature stamp was affixed to the bank reconciliation documents to certify the principal's review. The former principals did not sign the financial reports indicating review in **3** other instances.

The APM section *5.1.2 Monthly Reconciliation and Financial Reporting* states that the recordkeeping staff is required to complete the reconciliation within 7 days after receiving the statement from the bank. All financial reports should be completed by the 15th of each month and submitted to the principal for review and approval.

The former recordkeeping staff was not held accountable to ensure that financial reports were completed timely. Also, the former principal did not implement procedures to timely review and approve financial reports prior to her departure in September 2019. During FY 2020, the acting recordkeeping staff/Secretary II completed 1 of the 8 delinquent financial reports, as well as completed her assigned duties as Secretary II. The current recordkeeping staff was hired in February 2020 and the financial reports were not updated resulting in the current recordkeeping staff completing the remaining delinquent financial reports after her training occurred. The current recordkeeping staff was not available at the time to complete the June 2020 timely. There was a transition in administration when the FY 2020 3rd trimester financial report was due and therefore it was not signed.

Recommendation: The principal must establish procedures to ensure that monthly bank reconciliations and financial reporting occur by the 15th of each month and related documentation is organized and maintained on file by fiscal year. The recordkeeping staff must be held accountable for adhering to the reporting requirements as outlined in the APM.

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Hyattsville Middle School was issued for the period ended October 31, 2015. During that period, the current principal and recordkeeping staff were not on staff. The current principal began her tenure July 2020. The recordkeeping staff began her tenure February 2020. There were 11 findings are noted as a result of that audit and at least **5** are repeated in this audit and summarized details are indicated below:

- *Missing Funds* – Controls appear to be working.

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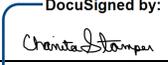
- ***Access to the Safe*** – Controls appear to be working.
- ***Records Management*** – (Organization of files) – Controls appear to be working.
- ***Mismanagement of Funds Received*** – Condition partially exists.
 - ***Cash Used from Funds Received*** – Controls appear to be working.
 - ***Delinquent Deposits*** – Condition still exists. **See Finding 2021.02** regarding *Mismanagement of Funds Received: Delinquent Remittance of Funds and MTF Date Change*
 - ***Lack of Documentation Attached to MTFs and/or Incomplete MTFs*** – Condition still exists. **See Finding 2021.02** regarding *Mismanagement of Received: Inadequate Documentation, and Insufficient Documentation.*
 - ***Inappropriate Deposit Slips*** – Controls appear to be working.
 - ***MTF Log*** – Controls appear to be working.
- ***Mismanagement of Disbursement*** – Condition partially exists.
 - ***Delinquent Payment of Invoices*** – Condition still exists. **See Finding 2021.03** regarding *Mismanagement of Disbursements: Delinquent Payment of Invoices.*
 - ***Insufficient and/or Incomplete Documentation*** – Controls appear to be working.
- ***Payment to Employees for Services Rendered from SAF*** – Controls appear to be working.
- ***Transactions Posted Incorrectly*** – Condition still exists. **See Finding 2021.04** regarding *Restricted Account Deficits – 450.20/30 PSA Deficit - Cause.*
- ***Principal Sponsored Activity Deficit (PSA)*** – Condition still exists. **See Finding 2021.04** regarding *Restricted Account Deficits.*
- ***Administration of Cancelled Checks. Checks with 1 signature*** – Condition still partially exists. **See Finding 2021.03** regarding *Mismanagement of Disbursements: Checks Issued with one Signature.*
- ***Year End MTF Envelopes Process*** – Could not determine due to records not available for review from FY 2017 – FY 2019 and for FY 2020 was impacted by the COVID-19 closing hindering the end of year close-out process where end of year MTFs would normally be submitted. **See Finding 2021.01 Record Retention.**
- ***Failure to Complete Fundraiser Reports*** – Could not determine due to records not available for review from FY 2017 – FY 2020. **See Finding 2021.01 Record Retention.**

ACKNOWLEDGEMENT

We would like to thank the principal and staff of Hyattsville Middle School for their cooperation and assistance extended during the audit.

Prince George's County Public Schools
Internal Audit Department
School/Office: Hyattsville MS
Response Date November 16, 2020

	Findings	Recommendations	Concur Non-Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
1.	<u>2021.01 Record Retention</u>	<p>The following recommendations are made to ensure adequate records management:</p> <p>A. An adequate filing system must be implemented to help ensure that in the absence of the recordkeeping staff or principal, financial documents would be properly filed and are accessible to those with authorized access.</p> <p>B. The principal should ensure that all financial records are labeled and maintained in a secure location.</p> <p>C. All financial records should be retained and stored for the period established within APM section <i>6.12 Record Retention</i>.</p>	Concur	<p>A meeting will occur to review and establish a filing system to ensure that financial documents are properly filed and are accessible to those with authorized access. (New bookkeeper is on leave. Start date is undetermined)</p> <p>SAF records will be labeled, filed and stored in the locked Bookkeeping Office filing cabinet and the storage room in the Principal's office, and kept for a period of 7 years. In the absence of the bookkeeper, the Secretary will file financial documents.</p> <p>The principal will meet with the bookkeeper monthly to review financial records, and cross check with the transaction document, physical assets and supporting documentation to verify the accuracy of records.</p> <p>All stakeholders will be held accountable for their responsibilities (progressive discipline / corrective action).</p>		<p>Not Implemented (Implementation date will be scheduled when new bookkeeper arrives)</p> <p>Not Implemented</p> <p>Not Implemented</p>

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Date 11/15/2020

				<p>the accuracy of records. A periodic review of collection records will occur.</p> <p>Defined Roles: <u>Principal:</u> Authorize transactions <u>Bookkeeper:</u> Record and report transactions; complete documents <u>Office Manager:</u> Maintain the custody of related assets <u>Teachers / Program Manager:</u> Initiate the financial documentation process (collecting funds), safeguard funds, and submit all funds collected w/ supporting documentation to the bookkeeper; review bookkeeper reports.</p> <p>All stakeholders will be held accountable for compliance (progressive discipline / corrective action)</p>	
3.	<u>2021.03 Mismanagement of Disbursements</u>	<p>The principal and recordkeeping staff must establish internal controls around the cash disbursement process to ensure that checks are disbursed as required. Specifically:</p> <p>A. The staff should be reminded that invoices should be submitted timely to the recordkeeping staff to facilitate processing in accordance with requirements of the APM.</p> <p>B. A check review process must be implemented to ensure that the dual signature requirement is consistently adhered to when issuing checks.</p>	Concur	<p>Staff members will receive training on ‘Student Activity Funds and Staff Responsibilities’ on Tuesday, October 27, 2020, in order to prevent problems and issues of non-compliance. Procedures will be reviewed throughout the course of the school year during staff meetings, with teacher attendance documented through staff sign-in sheets</p> <p>The following steps will be taken for each check written and disbursed to purchase goods and services, from the School Activity Fund:</p>	<p>Implemented on 10/27/20</p> <p>Partially Implemented</p>

Principal Signature _____

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Cherita Stamps

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Date 11/15/2020 _____

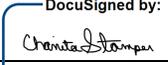
			<ol style="list-style-type: none">1. A School Funds Expenditure Form will be prepared to document all disbursements (completed by staff).2. The Principal will pre-approve all expenditure requests by signing the School Funds Expenditure Form.3. All expenditures will be supported by itemized receipt(s) or invoice(s) (attached). Staff members will submit invoices in a timely manner and the bookkeeper will ensure payment within 30 days of the receipt. All disbursements will be made by check.4. The principal will review all budgets, invoices, and statements, to ensure that payments are made in a timely manner.5. All checks will be written to an approved/active vendor in School Funds online, with the exception of staff reimbursements and parent refunds.5. Computerized checks will be generated in SchoolFunds Online and recorded to the proper fund category.6. Voided checks will be defaced, but filed in check number order with cancelled check images. (Checks will not be erased or altered. No signature stamps will be used.)7. No check will be written payable to "Cash." Checks will not be signed until		
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Principal Signature

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Date 11/15/2020

				<p>the 'Pay to the Order of' and 'amount' fields have been completed. No manual checks will be generated. All will be printed from SFO.</p> <p>8. Checks will NOT be written if the balance in the SAF account is insufficient.</p> <p>9. The School Funds Expenditure Form and supporting documentation will be filed in a three-ring binder by check number or in an electronic binder.</p> <p>10. Dual Check Signature Requirement: The principal and the Bookkeeper (Vice Principal will serve as backup) will be the school's authorized check signers. Check signers will NOT sign their own check. Each check written will be reviewed using the aforementioned procedures prior to disbursement.</p>	
4.	<u>2021.04 Restricted Account Deficits</u>	<p>The following recommendations are suggested to return the restricted accounts to solvency:</p> <p>A. The principal should contact the Accounting and Financial Reporting Office for guidance on how to resolve the deficit accounts.</p> <p>B. The principal and financial recordkeeping staff should collaborate to ensure fiscal planning, budgeting and adequate review and that the school's resources are properly administered. The principal should perform consistent management oversight to ensure fiscal solvency.</p>	Concur	<p>The principal will contact the Accounting and Financial Reporting Office for guidance on how to resolve the deficit accounts. Next steps and a plan of implementation will be documented.</p> <p>The principal will meet with the financial team (bookkeeper and office manager) monthly to adequately review the budget, engage in fiscal planning, and ensure that the school's resources are properly administered. Meetings will be documented in a rolling agenda.</p>	<p>Not Implemented</p> <p>Not Implemented</p>

Principal Signature  _____
 Date 11/15/2020 _____

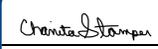
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<p>5.</p>	<p><u>2021.05 Delinquent Financial Reporting</u></p>	<p>The principal must establish procedures to ensure that monthly bank reconciliations and financial reporting occur by the 15th of each month and related documentation is organized and maintained on file by fiscal year. The recordkeeping staff must be held accountable for adhering to the reporting requirements as outlined in the APM.</p>	<p>Concur</p>	<p>Monthly Bank reconciliations and financial reporting will occur to prevent/detect fraud, help identify bank errors, and determine if discrepancies are due to timing rather than error.</p> <p>Monthly Bank reconciliations will consist of the following:</p> <ol style="list-style-type: none"> 1. The principal will review the SFO receipts and disbursements reports, along with a printed bank reconciliation report. The principal will receive the bank statement unopened. 2. After reviewing the statement and cancelled checks, the Principal will forward the documents to the Bookkeeper for reconciliation. The reconciliation will be completed by the bookkeeper within seven (7) days after receiving the statement from the bank (by the 15th of each month). 3. The completed reconciliation will be returned to the Principal every month for review and approval - to ensure solvency. (Original bank statements, SFO bank reconciliation reports, available funds report, year to date report, journal entry register, insolvency report.) 3. The Principal will sign and date the checklist, after verifying that reports are balanced and receiving satisfactory answers to any questions. All reports and related documentation will be organized and maintained in three-ring 		<p>Not Implemented</p>
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Date 11/15/2020

				binders identified by fiscal year or in an electronic binder. 4. All stakeholders will be held accountable for compliance (progressive discipline / corrective action)		
				Action Plan will be reviewed with all stakeholders 11/16/20		In Progress

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Date 11/15/2020