

# KINGSTON SCHOOL DISTRICT

21 Wynkoop Place  
Kingston, New York 12401

Tel: (845) 339-3000

Fax: (845) 339-2249

**Dr. Paul Padalino**  
Superintendent of Schools

**Allen Olsen**  
Deputy Superintendent for Human  
Resources and Business

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Office of the State Comptroller  
Division of Local Government & School Accountability  
PSU- CAP Submission  
110 State Street, 12th Floor  
Albany, New York 12236

New York State Education Department  
Office of Audit Services, Room 524 EB  
89 Washington Avenue  
Albany, New York 12234

**RE: Corrective Action Plan (CAP)**

Unit Name: *Kingston City School District*

Audit Report Title: June 30, 2019 Extra-Classroom Activity Fund-Cash Basis

Prepared by Raymond G. Preusser, CPA, P.C.

Audit Report Number: na

The Kingston City School District Administration, Board of Education and Audit and Finance Committee have received and reviewed the annual audit report of the Extra-Classroom Activity Funds for the fiscal year ended June 30, 2019. The audit report was accepted by the Board of Education on November 6, 2019. Included as part of the auditor's examination are findings and general recommendations for procedures and policies to improve internal controls and protect student activity funds. The findings and recommendations, as well as the district's corrective action plans are detailed below.

## I. **Audit Recommendation:** Cash Receipts

*"We found that generally, the internal accounting controls with regards to cash receipts were adequate to maintain proper accountability beyond the point of initial recording of the cash receipts."*

J.W. Bailey (Middle) School:

During the audit of cash receipts the following were noted:

1. A few instances where deposits were not made within three days of receipt of funds.

M.C. Miller Middle School:

1. A few instances where deposits were not made within three days of receipt of funds.

Kingston High School:

1. Some instances where deposits were not made within three days of receipt of funds.
2. A few deposits did not include a summary of funds (i.e., cash, checks, and source of funds).

*"We recommend that cash receipts be properly completed and funds are forwarded by the Clubs to the Central Treasurer for deposit within three days. In turn, the Central Treasurer should then deposit within a three-day period after receipt of these funds. The cash receipts should then be properly filed and accessible."*

**Implementation Plan of Action(s) - Prior Year and Continuous:** The District Treasurers have communicated the importance of the proper handling and recording of club funds with the Central Treasurers. The Central Treasurers and Advisors have been provided with the NYS Pamphlet 2, district policies regarding Extra-Classroom Activity Clubs, and procedural guidelines for handling club funds. The District Treasurer or Central Treasurer provides annual on-site training on proper accounting procedures and in safeguarding Extra-Classroom Funds. The district Deputy Treasurer acts as a Faculty Auditor and conducts on-site audit checks at least twice annually at each school during the school year as an additional internal control measure. With respect to the receipt, recording and deposit of club funds, the club officers and Central Treasurer make every effort to deposit funds on a timely basis and include proper documentation to support the deposit.

District Treasurers will continue to stress the importance of properly documented and deposited cash receipts and timely bank deposits.

- a. **Implementation Date:** These procedures have been in place and are generally adhered to. However, unanticipated situations with students, advisors holding the funds or school closures may result in exceptions to such timely or accurate transactions. The clerks make every effort to make the deposit within a reasonable amount of time and the funds are locked securely in a safe in the main office until such deposits are made.

## II. **Audit Recommendation:** Inactive Clubs

### J.W. Bailey Middle School:

During the audit, it was noted that two student activities were financially inactive during the current year.

### M.C. Miller Middle School:

During the audit, it was noted that three student activities were financially inactive during the current year.

### Kingston High School:

During the audit, it was noted that two student activities were financially inactive during the current year.

*"We recommend that inactive clubs be reviewed and if the club is no longer in existence, the remaining funds should be disposed of as prescribed by the Board of Education."*

- a. **Implementation Plan of Action(s) - Prior Year and Continuous:** The Central Treasurers and Principals annually review all clubs with no activity and determine whether they should continue as a club. The club charters are also compared to the list of prior year clubs to determine whether clubs are currently meeting and active. Clubs determined to be inactive are to be discontinued and any remaining funds are to be distributed in accordance with the district policy. The Principal or his or her designee is responsible for submitting such discontinuance in writing, to be signed by the former advisor, the Principal, and submit to the Board of Education for approval. Of the inactive clubs noted in the audit report, most of the clubs were active but had no financial activity.
- a. **Implementation Date:** The District Treasurers, Central Treasurers and Principals evaluate on an annual basis. The Faculty Auditor at Central Administration further reviews, monitors and records listings of discontinued clubs for each school. This procedure began in 2016 and will continue to be followed.

District officials have made a significant commitment of time, resources and training to ensure that Extra-Classroom Student Activity Funds are properly accounted for, and that policies, procedures and guidance promote effective internal controls. The Audit and Finance Committee offers additional oversight to the accounting for these funds by reviewing the charters, interim audits, financial reports and bank statements regularly. While the monitoring and supervision of the funds management has increased, the objective of the Student Activity Clubs as business learning opportunities for the district's students remains a key focus.

Sincerely,



**Dr. Paul J. Padalino**

Superintendent of Schools