



Framingham Public Schools
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OFFICE OF FINANCE AND OPERATIONS
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Date: December 16, 2019
Subject: FY19 Student Activity Audit - Solicitation of Quotes
To: Whom It May Concern
From: Lincoln Lynch, Executive Director of Finance and Operations

Per School Committee policy JJF in accordance with the Department of Secondary and Elementary Education (DESE) guidelines as required by Massachusetts General Law Chapter 71 Section 47, there shall be an audit of the District's student activity funds performed once every three years by an outside independent audit firm. To comply with Massachusetts General Law, Framingham Public School's student activity accounts were recently reviewed by the audit firm Powers and Sullivan, LLC for the period of July 1, 2015 through June 30, 2018 (FY16, FY17 and FY18). While the DESE guidelines and School Committee policy requires an audit only once every three years, it is the School Committee's request to audit the School Department's student activity accounts for Fiscal Year 2019.

Any vendor interested in responding to the solicitation of quotes must email their price for the work described below to llynch@framingham.k12.ma.us. The lowest responsible and responsive bidder will be awarded the work. The following is the scope of work the District is putting forth to solicit quotes from responsible and responsive vendors:

Scope of Work: Perform an audit of the Framingham Public School's High School and Walsh Middle School student activity accounts for the period of July 1, 2018 through June 30, 2019 (FY19). The audit firm shall follow each requirement set forth in the DESE Guidelines (listed below) by marking next to the appropriate "Yes" or "No" and include a finding or comment for each guideline. The final report shall include the entirety of the guidelines with each finding or comment. The intention is to exceed what a "normal" audit includes which includes findings only.

I. ADMINISTRATION

A. ESE Policy Guideline or MGL Requirement: The School Committee should adopt policies and procedures for the creation, operation, control and public reporting of student activity accounts. These policies should be reviewed periodically and amended when necessary. The accounts by statute are the responsibility of the school principal and thus it is the direct responsibility of the principal to ensure that the statute, School Committee policies, and administrative procedures are fully adhered to in all aspects of operating student activity accounts.

Agreed Upon Procedure/Audit Guideline:

1. Inquire and obtain evidence suggesting that policies have been adopted by the School Committee. Evidence should be included in School Committee minutes through a School Committee vote.

Results: Evidence of a School Committee vote was obtained. ___ Yes ___ No

If **Yes**, obtain policies and procedures, and go to step 2.

If **No**, report a finding.

2. Review formal policies and procedures and determine if they are effective; consider the following:
 - a. Policies must require adequate internal control to ensure protection of student monies.
 - b. Policies must be complete and satisfy MGL.
 - c. Policies must only govern student activity money and not money that is governed under other MGL. (see related Massachusetts General Laws and Appendix E)
 - d. Procedures should be developed that support policy and provide for segregation of duties.
 - e. Policies and procedures must be updated when applicable.

Results:

Formal policies and procedures are determined to be adequate. ___ Yes ___ No

If **Yes**, determine if policies and procedures are enforced.

If **No**, report a finding.

B. ESE Policy Guideline or MGL Requirement:

Ø Although not required, it is good practice for the School Committee to approve each student activity annually. This should be done before the start of the school year unless activities are new and created during the year. The approval should include specific funding sources and objective/mission for each activity.

Agreed Upon Procedure/Audit Guideline:

1. Obtain a listing of each active student activity and inquire if each student activity has been approved annually by the School Committee or if new, was approved during the year. Evidence should be included in the School Committee minutes through a School Committee vote.

Results: Evidence of School Committee vote was obtained. ___ Yes ___ No

If **No**, report a finding.

C. ESE Policy Guideline or MGL Requirement:

Ø A student activity account may be used for funds raised by student organizations which will be expended by those students for their benefit. Funds raised or donated that are governed by laws other than the student activity laws cannot be deposited to a student activity account (See section on related Massachusetts General Laws and Appendix E.) In addition, funds belonging to staff through sunshine

funds or vending machines or other activities not related to the students may not be deposited in the student activity account.

Agreed Upon Procedure/Audit Guideline:

1. Obtain a listing of each active student activity. From this list, determine source of funding and objective of each student activity. Evaluate if funds have been properly deposited into the student activity account or if funds are more appropriately classified as revolving, gift, grant or other type of fund.

Results: All programs are proper student activities and deposits have been properly deposited into a student activity account. ___ Yes ___ No

If No, report a finding.

D. ESE Policy Guideline or MGL Requirement:

Ø An accounting system for the student activity funds must be implemented and in a sufficient manner to facilitate basic reconciliation and control procedures. An accounting system may be an off-the-shelf accounting application, a properly designed electronic spreadsheet or for smaller student activity accounts, a manual system. The determination of the appropriate accounting system will vary school by school based on a variety of factors including volume and frequency of student activity transactions and the skills of those in charge with administering the day-to-day accounting for student activities.

Agreed Upon Procedure/Audit Guideline:

1. Through inquiry and observation, verify that the accounting system used for the student activity funds will facilitate the following:

- a. Accurate recording and reporting of cash receipts and disbursements by each student activity fund in the school student activity ledgers;
- b. Recording of a general cash and/or investment account that can be reconciled with the bank checking account for student activity maintained by the Principal, combined with the agency savings account maintained by the City/Town/District Treasurer; and
- c. General cash and/or investment accounts in aggregate can be reconciled to the aggregate detailed fund accounts within the student activity fund recorded for and held by each student activity.

Results: An assessment of the accounting system in place has determined that it will facilitate the critical items listed above. ___ Yes ___ No

If No, report a finding.

E. ESE Policy Guideline or MGL Requirement:

Ø The qualifications of the individuals involved with processing, recording and reporting student activity account transactions is adequate, and an ongoing process of training is in place to ensure that these individuals maintain the required level of skills to possess such duties.

Agreed Upon Procedure/Audit Guideline:

1. Through inquiry, determine if all individuals who process, record, and report student activity transactions possess the skills necessary to perform the duties in an adequate manner.

Results: All individuals who process, record and report student activity accounts have the suitable skills to perform the duties in an adequate manner. ___ Yes ___ No

If **No**, report a finding.

2. Through inquiry, determine if there is an ongoing process of training in place.

Results:

An ongoing process of training is in place to ensure that all individuals maintain the necessary skills to perform these duties in an adequate manner. ___ Yes ___ No

If **No**, report a finding.

II. STEWARDSHIP AND CUSTODIAL RESPONSIBILITY

A. ESE Policy Guideline or MGL Requirement:

Ø Section 47 of Chapter 71 of MGL as amended by Chapter 66 of the Special Acts of 1996, requires that once the School Committee has accepted the provisions of this law, an agency account must be set up by the City/Town/District Treasurer. These are generally established as an interest bearing savings account, and, if authorized by the School Committee, a checking account which acts as an imprest (replenishment) account to be administered by the School Principal.

Ø Maximum checking account fund levels are established and annually voted on by the School Committee.

Ø All deposits for fund raising and other student activities must be deposited in the agency account with the City/Town/District Treasurer. Disbursements may be made from either account.

Ø The Principal may request replenishment of the checking account to the maximum established balance by presentation of a funds request to the City/Town/District Treasurer, accompanied by invoices or other support for disbursements previously made from the checking account.

Ø The Principal or their designee who are designated to operate and control the student activity checking account shall give bond for faithful performance to the municipality or district in such amount as the City/Town/District Treasurer shall determine to secure the Principal's faithful performance of their duties in connection with such account. Annually, the School Committee should authorize any such designees and ensure bond coverage.

Ø There shall be an annual audit of the student activity funds which shall be conducted in accordance with procedures as agreed upon between the School Committee and the auditor based upon guidelines issued by ESE. In addition, ESE recommends the audit be performed by an outside independent audit firm once every three years for those with activities greater than \$25,000. In the intervening years, the audit may be conducted by a responsible individual independent of the student activities, with the approval of the School Committee. Such an individual could be the Town Accountant, who already has audit powers under MGL Chapter 41 the Treasurer, or the School Business Manager if the School Business Manager is not involved in the administration or transactional processing of the student activities.

Agreed Upon Procedure/Audit Guideline:

1. Determine if the School Committee has accepted the provisions of Section 47 of Chapter 71 of MGL; evidence should be included in School Committee minutes through a School Committee vote or obtain certification of vote.

Results: Evidence of School Committee vote was obtained. ___ Yes ___ No

If **No**, student activities should be administered through a legally established non-profit organization; otherwise, report a finding.

2. Determine that all student activity deposits are made to an agency account maintained by City/Town/District Treasurer.

Results: All student activity deposits were made to the agency account maintained by the City/Town/District Treasurer. ___ Yes ___ No

If **No**, report a finding.

3. Determine if the School Principal has properly made requests for replenishment of funds to the imprest checking account including submission of original invoices or equivalent supporting documentation.

Results: Requests for replenishment to checking account are made in proper manner. ___ Yes ___ No

If **No**, report a finding

4. Review selected checking account bank statements to determine if checking account balances ever exceed amounts established by the School Committee.

Results: Does the checking account balance ever exceed the amount established by the School Committee? ___ Yes ___ No

If **Yes**, report a finding.

5. Determine if the School Principal and/or their designee (if applicable) have given bond to the City/Town/District Treasurer for faithful performance, and that all designees have been properly authorized by the School Committee.

Results: Evidence of the School Principal and/or their designee (if applicable) securing or being secured by a fidelity bond exists. ___ Yes ___ No

If **No**, report a finding.

6. Determine if the annual audits have been performed, either by an outside independent audit firm or as is permissible, internally. Evidence of this may be obtained from reports developed as a result of the process.

Results: Verify evidence that an annual audit process exists and has been conducted. ___ Yes ___ No

If **No**, report a finding.

III. GENERAL OPERATING PROCEDURES

A. ESE Policy Guideline or MGL Requirement:

Ø Section 47 of Chapter 71 does not address the adoption of specific policies or procedural guidelines, but does require adherence to administrative procedures as may be prescribed. ESE makes recommendations to maintain minimum general operating procedures in the administration of student activities including:

§ Bank reconciliations must be done at least quarterly (preferably monthly). A copy of the bank reconciliation should be sent to the School Business Administrator, School Committee, student officers, and City/Town/District Treasurer. Sign-offs must be performed by preparers and reviewers;

§ Standardized forms should be used for deposits and disbursements whenever possible;

§ The School Committee and School Business Administrator should establish periodic reporting timelines. Financial reports should be created and submitted in accordance with those guidelines to the School Committee, School Business Office, Town Accountant, Treasurer and the individual student activity class/club advisors;

§ The School Principal shall maintain individual subsidiary accounts by program within the student activity control account. This will allow proper matching of program expenditures against revenues that are collected for that purpose as well as allow for the efficient determination of the program balance;

§ Aggregate subsidiary account balances should be reconciled no less than quarterly to the total control account, and;

§ Total control account balances should be reconciled no less than quarterly to the aggregate total of the School Principal's reconciled checking account and the agency account maintained by the Treasurer.

Agreed Upon Procedure/Audit Guideline:

1. Through inquiry, observations, and review of sample bank reconciliations, determine if bank reconciliations are prepared at least quarterly and sent to the appropriate parties for review; and that sign-offs by both preparer and reviewer are included in the process.

Results:

Evidence was obtained that at least a quarterly bank reconciliation process is in place and that sign-offs by both preparer and reviewer are made. Yes No

If **No**, report a finding.

2. While gaining an understanding of the internal control processes in place, determine if standard forms for deposits and disbursements are used.

Results: Deposit and disbursement transactions are completed and documented using standard forms.

Yes No

If **No**, report a finding.

3. Through inquiry and analysis, determine if a requirement for the preparation and periodic submission to the School Committee, School Business Office, Town Accountant, Treasurer and the student activity class/club officers of financial reports exists; and if such policy is adhered with.

Results: Financial reporting requirements are in place and are functioning as intended. Yes No

If **No**, report a finding

4. Through inquiry and analysis, determine if subsidiary student activity account detail is maintained and if the aggregate of the subsidiary accounts are reconciled to the control account on a monthly basis.

Results: Subsidiary student activity account detail is maintained and reconciled monthly to control activity. Yes No

If **No**, report a finding

IV. REVENUE, RECEIPTS AND DEPOSITS

A. ESE Policy Guideline or MGL Requirement:

Ø The receipts process is most susceptible to theft and abuse since cash collections for student activities are normally decentralized, and individuals collecting cash are often young students inexperienced with cash handling.

Ø ESE recommends strict procedures for control of all receipts and should include at a minimum, the following controls:

§ Receipts generated from the sale of a high volume product such as the yearbook or admission to a highly attended event like the prom or other dance or ball, should be controlled through the use of pre-numbered receipts.

§ A reconciliation process should be in place whereby pre-numbered receipts, tickets, attendance logs or other revenue source documents are reconciled to cash collected for particular activities prior to making a deposit in the bank. In the situation where it is impractical to use source documents, two people should count the cash and sign off on the process.

§ The cash collection and deposit function should be segregated from the accounting and recording function.

§ All student organizations receiving monies from any source should turn over such money to the School Principal or the Principal's designee within twenty-four hours from receipt of such funds. (If received on the weekend, then on the first business day after receipt of the funds.)

§ Any money not deposited on the same day must be kept overnight in a locked vault, safe, or other secured locked area - **under no circumstance, should student activity monies be taken home overnight.**

§ All money turned over to the school by a student organization shall be accompanied by a school deposit slip stating the source of the monies, the amount being deposited, and signed by the person turning over the money to the office. If turned in by a student, this should be co-signed by the group advisor or a teacher, who should also keep a duplicate of the deposit slip.

§ The School Principal or the Principal's designee should deposit into the agency account all monies received from student activity organizations at a minimum on a weekly basis. Written evidence of receipt should be obtained from the City/Town/District Treasurer.

§ Interest earned by the student activity agency account shall be retained by the student activity fund. The use of the aggregate earnings shall be at the discretion of the School Committee for the benefit of the students and shall be so stated in the School Committee policy.

§ An ongoing philosophy of the importance of handling money with care, honesty, and accuracy should be conveyed to the students, advisors and teachers through roundtable meetings and educational trainings.

§ Money collected for purposes other than student activities shall not be deposited into the student activity account and must be handled by the MGL that governs its administration.

§ Any monies paid to the school or to a student activity as commissions or revenue sharing belong to the students and shall be deposited into the student activity agency account. Such funds shall be expended for the benefit of the students in accordance with School Committee policies and may not be spent to benefit the staff or to supplement the school budget. Refer to Frequently Asked Questions Q4 for the appropriate treatment of these revenues.

§ A policy must be adopted by the School Committee that specifies how any other undesignated receipts will be distributed and such receipts must be deposited into the student activity agency account. No student activity revenues will be deposited into the School Principal's checking account.

Agreed Upon Procedure/Audit Guideline:

1. Through inquiry of the School Principal or their designee, document the process by which receipts are administered in order to gain an understanding of the internal control process in place. In addition, while conducting the inquiry, determine if the following have been addressed or developed:
 - a. Determine if pre-numbered receipts, tickets, and attendance logs are used;
 - b. Determine if any pre-numbered receipts or tickets were skipped and investigate why;
 - c. Determine if a reconciliation process is performed between pre-numbered receipts, tickets, and attendance logs and the funds being turned over;
 - d. Determine that in situations when pre-numbered receipts, tickets and attendance logs are not practical, that two responsible people have each counted the cash received;
 - e. Determine if funds collected for student activities are turned over to the School Principal's Office within twenty-four hours;
 - f. Determine if funds not immediately turned over are stored in a secure location;
 - g. Determine if the School Principal is turning funds over to the City/Town/District Treasurer agency account weekly (at a minimum);
 - h. Determine if an interest earned policy exists and is documented;
 - i. Determine if a commission or revenue sharing policy exists and is documented;
 - j. Determine if a policy for undesignated earnings exists and is documented; and
 - k. Determine if a philosophy exists through ongoing training that monies are to be handled with care, in an accurate manner.

Results: Document any findings that may exist as a result of any deficiencies discovered based on the understanding of the control process in place for receipts conducted in the above steps 1.a. – 1.k.

2. Make a sample selection of receipts to test. This sample population should be a representative sample of receipts that are made from the school deposit slips. If possible, the sample should be made from the population of duplicate deposit slips maintained by the class advisor.

Results: Document any findings that may exist as a result of the testing of receipts in step 2.

3. Upon determination of the samples to be tested, perform the following procedures on each sample:
- a. Is the receipt amount included on the deposit slip?
 - b. Is the deposit included in the bank statement?
 - c. Does the deposit amount agree with the accounting system's records?
 - d. Is the receipt for a proper student activity account?
 - e. Is the receipt recorded to the proper subsidiary activity in the student activities' ledger?
 - f. Was a pre-numbered receipt used?
 - g. Were the funds remitted within twenty-four hours or within the next business day (if a weekend day) to the principal's office?
 - h. Were the funds remitted by the principal's office to the City/Town/District Treasurer's agency account within one week?
 - i. Is the receipt accompanied by a school deposit slip?
 - j. Is there written evidence of receipt of the deposit from the City/Town/District Treasurer?
 - k. Is a duplicate of the school deposit slip maintained by the advisor and signed by the advisor?

Results: Document any findings that may exist as a result of any deficiencies discovered in the above steps 3.a. – 3.k.

V. PURCHASING AND DISBURSEMENTS

A. ESE Policy Guideline or MGL Requirement:

Ø MGL 71, Section 47 gives the responsibility for the establishment of student activity accounts to the School Committee and the enforcement of School Committee policies to the School Principals; such is the case with purchasing and disbursements. It is important that disbursement policies are sound, controlled, and designed to benefit only the students.

Ø In order to accomplish this goal, ESE recommends the following at a minimum are in place:

§ Advance of funds should be avoided whenever possible. If it is anticipated that an advance is necessary, prior written approval must be obtained from the School Principal.

§ Equipment and supplies purchased with student activity funds are the property of the student activity groups and not any individual student or other organization. Equipment and supplies purchased with student activity funds should be used exclusively for co-curricular student activities and not for the general use of School operations.

§ Student advisors, or others involved in purchasing, may not benefit personally from any purchasing – either directly or indirectly.

§ Student activity funds may not be used for any purpose unrelated to student activities or for the benefit of any staff person.

§ All disbursements shall be made by check.

§ The policy adopted by the School Committee should specify the method or methods to be used to pay for expenses, including how to handle the reimbursement of funds when personal credit cards are used. (This is important because of the potential “reward” benefits the credit card holder may accrue).

§ Disbursements exceeding \$600 in aggregate to any one individual or entity must be reviewed to determine if a Form 1099-MISC. is required. Process should be coordinated with the Town Accountant or Treasurer to ensure compliance.

§ Checks may not be written to cash.

§ Checks shall be signed only after they are completely prepared.

§ Check signature authority shall be in accordance with School Committee policy. Consideration should be given to require two signatures for individual disbursements made over a certain dollar amount.

§ Individuals responsible for writing checks should be segregated from the record keeping and reconciliation process; or assurances should be made that other mitigating controls are in place such as a monthly review of all activity by an independent responsible individual.

§ All disbursements are required to have adequate external supporting documentation such as a vendor invoice, bill contract or receipt.

§ A record of all checks will be maintained, including void checks. Numerical order of checks should be retained.

§ Checkbook reconciliations should be performed monthly.

§ A standardized form should accompany all requests for check issuance.

§ The standardized form shall be accompanied by the supporting documentation and must state to whom the check shall be payable, the reason for the payment, the amount of the check, the student activity account to be charged, and the approval signature of the advisor or student officer.

§ All requests for replenishment to the School Principal imprest checking account must be adequately supported and processed through the City/Town/District accounts payable warrant process.

Agreed Upon Procedure/Audit Guideline:

1. Through inquiry of the School Principal or their designee, document the process by which disbursements are administered in order to gain an understanding of the internal control process in place. In addition, while conducting the inquiry, determine if the following have been addressed or developed:

- a. Determine if disbursement policies are established by the School Committee.
- b. Determine if all disbursements require the Principal's (or his designee's) approval.
- c. Determine if all disbursements require supporting documentation.
- d. Determine if cash advances are prohibited.
- e. Determine if standard requests for disbursements are prepared.
- f. Determine if student activity funds are used on student activities.
- g. Assure that steps are in place to prohibit advisors or other individuals involved with purchasing to personally benefit in any way.
- h. Determine if all purchases are recorded and check records are maintained.
- i. Determine if all void or missing checks are accounted for.
- j. Determine who the authorized signers on the account are. Consider contacting the bank to confirm.
- k. Determine if a competitive process for purchasing is encouraged.
- l. Determine if disbursements may only be charged against the accounts for which funds have been designated.
- m. Determine if segregation of duties exists between the check writer and the individual who reconciles the bank statements. If not, determine if there are mitigating controls in place to limit risks.

Results:

Document any findings that may exist as a result of any deficiencies discovered based on the understanding of the control process in place for disbursements conducted in the above steps 1.a. – 1.m.

2. Make a selection of disbursements to test. This sample population should be a representative sample of disbursements selected from the school check register.

Results:

Document any findings that may exist as a result of the testing of disbursements in step 2.

3. Upon determination of the samples to be tested, perform the following procedures on each sample:

- a. Is the disbursement accompanied by a standard request form for disbursement signed by the advisor or student treasurer?
- b. Is the disbursement accompanied by adequate supporting documentation (i.e., vendor invoice or receipt)?
- c. Was the disbursement approved by the Principal? How was the Principal's approval evidenced?
- d. Does the disbursement agree to the amount in the accounting system?
- e. Does the disbursement agree to the amount debited on the bank statement?
- f. Is the disbursement agreed to and supported by a cancelled check?
- g. Is the cancelled check properly endorsed by an authorized signer?
- h. Is the disbursement an appropriate use of student activities monies?
- i. Is the disbursement charged against the proper student activity account?
- j. Although not legally required, as a best practice, was the purchase procured competitively?
- k. Has anyone other than the students benefited from the disbursement?
- l. If the disbursement is made to an individual and the disbursement causes that individual to equal or exceed \$600 in total disbursements, has a Form 1099-MISC been issued to the individual?
- m. Does the disbursement properly exclude any payments for sales tax?

Results: Document any findings that may exist as a result of any deficiencies discovered for the procedures conducted in the above steps 3.a. – 3.m.

VI. CLASS, INACTIVE ACCOUNTS AND DEFICITS

A. ESE Policy Guideline or MGL Requirement:

Ø It is ESE's opinion that, because graduates are no longer students, monies for student class grades that have graduated cannot be legally maintained in student activity accounts. ESE recommends that the School Committee approve a policy that specifies how these funds shall be disposed of upon a class' graduation. Notification of the manner of disposition should be given to the class officers and

all students who contribute to the class accounts. Such policy should specify how long the class account should remain active after graduation (i.e. 90 to 180 days after graduation to permit the school to pay all class obligations). After the waiting period, the policy should specify if and how the remaining funds will be transferred to the graduates, if the funds will revert to other student activity groups (such as the incoming senior class), or other specific disposition instructions.

Agreed Upon Procedure/Audit Guideline:

1. Through review of School Committee policies, determine the policy for disposition of class accounts.
2. Obtain listing of all individual student activity accounts and scan the listing for class accounts for students who have already graduated.
3. Determine if disposition is in accordance with School Committee policies.

Results: Disposition of class accounts that have already graduated is in accordance with School Committee policy. ___ Yes ___ No

If **No**, report a finding.

B. ESE Policy Guideline or MGL Requirement:

Ø Any student activity inactive for a period of three (3) years or more, and for which there has been no receipts or disbursements recorded on their behalf, shall require the following actions in order to be closed:

§ Written notification by the advisor or student officer to the School Principal or other authorized administrator that the activity will cease to be a viable account. If an advisor or student officer is not available, such discontinuance shall be by vote of the School Committee.

§ All assets of the recognized student activity shall be identified and stated in writing.

§ Any disposition of assets of an inactive recognized student activity shall be determined by the School Committee, but in no case shall the disposition benefit specific individuals.

§ Such policy will be communicated to the students who contribute to the accounts, when possible.

Agreed Upon Procedure/Audit Guideline:

1. Through review of School Committee policies, determine the policy for disposition of inactive accounts and its reasonableness.
2. Obtain listing of all individually listed student activity accounts. Scan listing for accounts that do not have any activity and review prior years' activity for those accounts to determine if they are inactive.
3. Determine if disposition is in accordance with School Committee policies.

Results:

Disposition of inactive accounts is in accordance with School Committee policy.

Yes No

If **No**, report a finding.

C. ESE Policy Guideline or MGL Requirement:

Ø Individual activity accounts should not be permitted to be in a deficit position because such a position becomes a liability to other individual activities or possibly to future classes. ESE recommends that the School Committee develop a policy for remedial action whenever a deficit not resulting from timing exists.

Possible remedial action could include funding from the following sources:

§ School Committee appropriation;

§ Accumulated investment earnings;

§ Surpluses of inactive accounts;

§ Gift from an activity with a surplus balance through approval of the advisor; or

§ Any other legal means.

Agreed Upon Procedure/Audit Guideline:

1. Through review of School Committee policies, determine the policy for the remediation of individual student activity deficit balances and its reasonableness.
2. Obtain listing of all individually listed student activity accounts. Scan listing for accounts and determine if any have deficit balances.
3. Determine if disposition of deficit balances is in accordance with School Committee policies.

Results: Disposition of deficit balances is in accordance with School Committee policy.

Yes No

If **No**, report a finding.

VII. STUDENT TRAVEL

A. ESE Policy Guideline or MGL Requirement:

Ø The School Committee should adopt policies and procedures for student travel related to student activities (i.e. field trips, overnight, and abroad). The policy should address how travel is to be authorized, the method or methods of paying travel expenditures, and final accountability for all travel costs associated with a trip.

Ø The following should be included in the travel policy:

§ A request for travel authorization and funding must be prepared well in advance of the time the funds are needed.

§ The request should be submitted by the advisor or other person responsible for the activity trip; furthermore, the request should be approved by the School Principal in accordance with policy established by the School Committee.

§ Travel Authorization Forms should contain at least the following: date of request, date funds needed, destination and purpose of trip, estimated departure and return times, number of persons traveling, estimate of cash required for tips and other various sundry items, estimate of expenses, signature of person requesting authorization, signature of person authorizing the request, check number and date of payment, and signature of the School Principal.

§ The approved travel authorizations are to be submitted to the School Principal or their designee to ascertain that sufficient funds are available.

§ Approved Travel Authorization Forms should remain in a pending file until final accountability for the trip has been completed.

§ The policy adopted by the School Committee should specify the method or methods to be used to pay travel expenses, including how to handle the reimbursement of funds when personal credit cards are used. (This is important because of the potential “reward” benefits the credit card holder may accrue)

§ A statement of final accountability must be submitted by the authorized trip sponsor promptly after the completion of the trip. Final accountability statements should include at least the following: date; notation of advance funds received (if applicable - amount, date, and check number); complete listing of itemized expenditures paid - together with documentary evidence of payment; totals of cash or checks expended; notation and totals of credit card or open account expenses (if applicable); the amount returned to the student activities if advances received exceed documented expenditures; the amount of additional reimbursement requested if travel expenses incurred exceed travel advances received; signature of person completing final accountability statement and signature of School Principal or their designee to indicate that there has been an acceptable final accountability.

Agreed Upon Procedure/Audit Guideline:

1. Through a review of the School Committee policies, determine if the policy for student travel is adequate.

Results: School Committee policies related to student travel are adequate. ___ Yes ___ No

If **No**, report a finding.

2. Test a sample of travel expenditures and determine that the travel is properly authorized, that there is a final accountability for all travel and there is documentation supporting all disbursements.

Results: Student travel expenditures are properly authorized, with final accountability and supporting documentation. ___ Yes ___ No

If **No**, report a finding

3. Determine that travel expenditures are in accordance with School Committee policies.

Results: Travel expenditures are in accordance with School Committee policies. ___ Yes ___ No

If **No**, report a finding.