

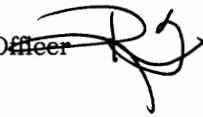


**SCHOOL DISTRICT OF OKALOOSA COUNTY
INTEROFFICE MEMORANDUM
FINANCE DEPARTMENT**

FINANCE TAM: 2015-021

CONTACT: Julie Perry, Director
Budgeting & Financial Services

TELEPHONE: 833-5850

TO: School Principals
FROM: Rita R. Scallan, Chief Financial Officer 
DATE: October 28, 2014
SUBJECT: Internal Funds Audit Review

Carr, Riggs, & Ingram (CRI), Certified Public Accountants, performed an audit of School Internal Funds for fiscal year 2013-2014. The audit was presented to the School Board on October 27, 2014. As there are no significant changes in internal funds procedures, the District and CRI do not feel that it is necessary to hold a bookkeepers' workshop. The purpose of this memorandum is to review the audit findings and other items noted by the auditors in our exit conference.

Please note that the section entitled "Other Items Noted by the Auditors" contains information and/or clarification of the proper way to handle small rolls of tickets and reimbursement of District Visa charges. This section also includes instructions on how to create a sponsor list that will be requested by the auditors for fiscal year 2014-2015.

AUDIT FINDINGS

Improper Completion of Check Requisition/Transfer Form

- *Findings: (1) The appropriate teacher/sponsor or principal had not signed the form, and (2) the principal signed as sponsor even though he/she was not the actual sponsor of the account.*
- Check Requisition/Transfer Forms are initiated by the teacher or sponsor desiring to make an expenditure. The teacher or sponsor must sign this form.
- The principal must sign the form to indicate approval of the request. This may be done before the check is written or when signing the check.
- The principal is the sponsor of the General account and Principal's Discretionary account.

Athletic Tickets

- *Findings: (1) The Activity Event Ticket Sellers Report was missing, and (2) actual cash collected was significantly different than the cash that should have been collected based on total tickets sold and price per ticket.*
- The Activity Event Ticket Sellers Report must be completed each time tickets are sold.
- The original form is to be attached to the Monies Collected Form.

- If tickets are being sold for several days in advance of the event, funds must be turned in daily. In this case, the bookkeeper will note all Receipt numbers on the Activity Event Ticket Sellers Report, and the original Activity Event Ticket Sellers Report will be attached to the last Monies Collected Form turned in.
- A copy of the Activity Event Ticket Sellers Report should be placed in a separate folder for the fiscal year.
- Any large discrepancies between the amount collected and the amount that should have been collected should be investigated and the ticket seller should be made aware of the discrepancy. If the discrepancies persist or it a trend is noted, such as consistent discrepancies with one ticket seller, the school should either remediate or remove the individual as a ticket seller.

Improper Completion of Monies Collected Form

- *Finding: (1) Monies Collected Form not signed by the individual collecting the money.*
- The money collector is to date the Monies Collected Form at the top when he/she begins collecting money.
- The money collector must turn in funds if \$10 or more is collected in a day and on Friday.
- When turning in funds, the money collector signs and dates the Monies Collected Form at the bottom.
- The bookkeeper and witness sign the Monies Collected Form at the bottom when funds are verified.

Payment of Invoices/Sales Tax

- *Finding: (1) Differences existed between the check, check requisition, and supported amounts per the vendor invoice or other documentation. In all of these instances, sales tax was inappropriately paid on reimbursements for items that were not to be resold.*
- When the check requisition is completed, the payee and amounts should agree with the invoice. In the event that a different amount is to be paid, adequate documentation on the invoice or the check requisition should be presented to reconcile why and how the amount was determined.
- Sales tax should generally not be paid or reimbursed on items unless they are for resale.

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OTHER ITEMS NOTED BY THE AUDITORS

Collecting Funds for a Purpose

- *The auditors noted that some schools have collected an excess of revenues over expenditures for the last three years.*
- Revenues collected in a year should generally be expended in the same year to benefit those students raising the funds.

Tickets

- *The auditors noted that many schools had old and/or small ticket rolls remaining in their inventory.*
- If a ticket roll may no longer be used (such as dated) or is too small to use, the bookkeeper will shred the tickets with a witness.

- The numbers of the shredded tickets will be noted on the Ticket Ledger Form, and the bookkeeper and a witness will sign and note that the tickets have been shredded.

District Visa Purchases

- *The auditors noted that many schools are using the District's Visa card for purchases; however, the documentation for these purchases was not consistent across all schools and in many cases was unorganized or missing certain items.*
- The proper procedure for using the District Visa card and reimbursing with internal funds is as follows:
 - As each order is placed with the District Visa card, a copy of the order and a Check Requisition Form are to be given to the sponsor to complete and return to the bookkeeper.
 - Once the original invoice is received, the bookkeeper will make a copy of the invoice and attach the copy to the Check Requisition/Transfer Form. The Check Requisition/Transfer Form will then be placed in a folder for reimbursement.
 - The original invoice will be placed in the Visa notebook or folder for monthly reconciliation.
 - Once the Visa is reconciled for the month, the bookkeeper will use all of the Check Requisition/Transfer Forms with attached invoice copies to write a check to the District.
 - The bookkeeper will complete a Cash Transmittal Form to send the check to the District.
 - The District Visa check reimbursement packet in the monthly folder will consist of the following:
 - Cash Transmittal Form (copy)
 - Copy of Visa statement with items marked for reimbursement
 - Check Requisition Form #1 with copy of Invoice #1, Check Requisition Form #2 with copy Invoice #2, etc.

Sponsors

- *The auditors requested a list of sponsors be provided for June 2015.*
- In School Funds Online, there is an area to enter the account Manager. Bookkeepers need to enter sponsors in this area for each account.
- In June 2015, bookkeepers will print a Chart of Accounts, along with other documentation, for the auditors. The Chart of Accounts includes the name of the Manager.
- When accounts include an account Manager, bookkeepers have the ability to print all Account Histories for specific Managers.

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Should you have any questions or need additional information, please contact Julie Perry at 833-5850.

Attachments

cc: Executive Staff
Bookkeepers