Audit
Reference Manual
Appendix 6

2022

Selected Internal Control Practices for School Districts

Introduction

The purpose of this document is to provide districts with a list of key internal controls. Districts should have internal controls in place to ensure their goals and objectives are accomplished; laws, regulations, and sound business practices are complied with; assets are safeguarded; and accurate and reliable data are maintained.

This document should be used as a guide in assessing the adequacy of controls in a district but should not be used in place of management's judgment nor should it be considered all-inclusive. The practices identified in this document are key indicators of an effective system of internal controls. Districts should compare these to its current practices and determine if the District's internal controls can be improved. When considering the implementation of any control, districts should consider the cost-effectiveness of the control.

The objective of internal controls is to provide management with reasonable, but not absolute, assurance that goals are met; operations are efficient and effective; assets are protected; policies and the like are adhered to; and verifiable, timely, and up-to-date data is relied upon.

Additional information on internal controls is available from a variety of resources including the New York State Education Department (the Department), the Office of the State Comptroller (OSC), the New York State Society of CPAs, and others. We recommend you visit these organizations' web sites to obtain additional information on internal controls.

Please submit any questions, suggestions, or comments to the Department via the Office of Audit Services email address: **(FSandSingleAudit@nysed.gov),** by mail at Office of Audit Services, NYS Education Department, 89 Washington Avenue, Room 471 EBA, Albany, NY 12234, or by telephone at (518) 473-4516.

Internal Control Practices

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I. GOVERNANCE AND PLANNING

A. Governance and Control Environment

1. The District's code of ethics addresses conflict of interest transactions with board members and employees. Transactions that are less-than-arm's length should be prohibited. Less-than-arm's length is a relationship between the District and employees or vendors who are related to district officials or board members.

2. The Board requires corrective action for issues reported in the CPA's management letter, audit reports, internal control reports, the Single Audit or Program-Specific Audit, and consultant reports.

3. The Board has established the required policies and procedures concerning District operations. The New York State School Boards Association has a list of required policies available on its website https://www.nyssba.org/policy-services/policy-services/.

4. The Board routinely receives and discusses the necessary fiscal reports including the:

   - Treasurer's cash reports,
   - Budget status reports, revenue status reports
   - Monthly extraclassroom activity fund reports, and
   - Fund balance projections, usually starting in January.

5. The District has a long-term financial plan (budget) for both capital projects and operating expenses. Long- term is defined as three to five years.

6. The District requires attendance at training programs for board members, business officials, treasurers, claims auditors, and others to ensure they understand their duties and responsibilities and the data provided to them.

7. The Board has an audit committee to assist in carrying out its fiscal oversight responsibilities.

8. The District's information systems are economical, efficient, current, able to produce accurate information, and up to date.

9. All computer files are secured with passwords or other controls, backed-up on a regular basis, and stored at an offsite location.

10. The District periodically verifies that its controls are working effectively.

11. The District requires all staff to the take vacations during which time another staff member performs the duties of the staff on vacation.

B. Strategic Planning, Budget Development, and Budget Administration

Strategic Planning

12. The District has a current written strategic plan that includes a mission and vision statement, goals and objectives, performance measures, and strategies to accomplish the goals and objectives. The strategic plan should be considered in developing the District's financial plans and budgets.

13. The District compares goals and objectives to actual performance and makes corrections, as necessary.

Budget Development and Budget Administration

14. The District has a formal budgeting policy dealing with such items as budgetary objectives, budget development/preparation procedures, budget administration, and budget transfers.

15. The District has written budgetary objectives to address areas such as funding priorities, maintenance of reserves and fund balance, incurrence of short-term and long-term debt, and replacement of capital assets.

16. The proposed budget presented to District residents, in connection with the annual meeting or the budget hearing, has sufficient detail to adequately inform the public about the District's educational program and estimated revenues and appropriations.

17. The District has procedures in place to ensure it does not incur a liability in excess of the amount appropriated.

18. The District has procedures in place establishing approval for budget transfers within funds, as well as increases/decreases in the budget. A formal budget amendment should be used to document any increases or decreases to the budget.

19. Budget transfers within the General Fund are made for only those items permitted by law and regulation.

20. All known obligations, including salaries and fringe benefits, debt service, utilities, and service contracts, are mass encumbered at the beginning of the year.

21. The District has procedures to compare actual to budgeted expenditures and actual to budgeted revenues along with procedures to project revenue collections and future expenditure needs for the remainder of the year. If projected revenues are expected to be under realized, or if expenditures are anticipated to be higher in some areas, the District takes timely action to address the issues.

22. Year-end fund balance projections are made regularly, starting in February, and revised projections should be calculated each month until the next year’s budget is adopted. Such information is critical because the total amount of unappropriated fund balance, above the amount to be used to reduce the tax levy in the next fiscal year, is limited by law to 4 percent of the current school year budget.

23. Budget status reports for all funds are provided to the Board on a regular basis and to the individuals responsible for controlling appropriations for specific buildings or programs.

24. Revenue status reports for all funds are provided to the Board of Education on a regular basis.

II. ACCOUNTING AND REPORTING

A. Assessing Financial Condition

1. The District ends the school year with an operating surplus or a planned deficit.

2. The District maintains a reasonable level of fund balance. The amount should be sufficient to permit the District to address shortfalls in revenue or unanticipated expenditures.

3. The District's unassigned fund balance at year-end is no more than four percent of the subsequent year's budget.

4. The District's available fund balance exceeds the total reserves.

5. The District analyzes the effects of long-term debt on its current and future budgets in order to understand long-term trends and potential risk factors that may impact overall financial sustainability.

B. Financial Accounting and Reporting

6. The District's accounting system facilitates the preparation of periodic financial reports, including year-end financial statements and other reports that support the year-end financial statements.

7. The District's accounting system is integrated with key business functions including accounts payable, budgeting, general ledger, inventory/depreciation, requisitions and purchase orders, accounts receivable, grants and payroll.

   In accordance with §200.302(b)1 of Uniform Guidance (UG), accounting records must identify all federal awards received and expended and the federal programs under which they were received. Federal program and federal award identification must include, as applicable:

   - Assistance Listing/CFDA title and number
   - Federal award identification number and year
   - Name of the federal agency
   - Name of the pass-through entity, if any

8. All accounting transactions, including journal entries, are supported by adequate documentation that details the amount, account(s) charged and allocation method, if applicable, reason, and supervisory approval.

9. All accounting records (journals and ledgers) for all funds are kept up-to-date and balanced monthly.

10. Revenue, expenditure, payroll, general journal, and general ledger detail reports are reviewed monthly and at year-end and a copy of each report is printed and retained.

11. Trial balance reports are printed for all funds, reviewed by account to the appropriate underlying data on a monthly basis and any exceptions noted are investigated and adjusted as necessary. The total of

all detail revenues equals the 980-revenue control account and the total of all expenditures equals the 522-control account.

12. The District has adequate segregation of duties for collections, cash receipts, deposits, cash disbursements, disbursement approval, recording transactions, and bank and account reconciliations. Adequate separation of duties requires separating four basic functions - authorization, custody, record keeping, and verification/reporting.

13. The District's Board has appointed a claims auditor to audit the claims of the District to help ensure prompt and appropriate payment of claims for payment.

14. The claims auditor puts his/her attestation on each voucher packet and certifies the warrant.

15. Encumbrances are entered into the accounting system before the release of purchase orders and are reduced when payment is made.

16. The accounting system prevents the issuance of a purchase order if the appropriation is insufficient.

17. The District keeps cash from the proceeds of obligations segregated from other funds as required by Local Finance Law Section 165.

18. The District prepares cash flow projections to ensure sufficient liquidity and to help determine borrowing needs and the timing and term(s) of investments.

C. Auditing

19. The annual financial statements audit, the federal Single Audit or Program-Specific Audit, and audit of the extraclassroom activity funds financial statements, as applicable, are completed and submitted by the applicable due dates.

20. The Annual Financial Report (ST-3) is published in the newspaper, as required by Education Law §1721 and §2528 and Commissioner's Regulation §170.2.

21. The Board Clerk publishes a public notice of any completed audit reports.

22. Audit reports are posted to the District’s website.

23. Corrective action plans are prepared for all findings cited in audit reports, approved by the Board and submitted to the Department by the applicable due dates.

D. State Aid and Grants

24. The District has a process to track and submit claims for state aid.

25. A monthly checklist is used to monitor the submission of all state aid forms.

26. All state and federal aid reports are filed on time.

27. The District has a system (computer or manual) to track students with disabilities' enrollment,

programming, costs, etc. Accounting records must identify all federal awards received and expended and the federal programs under which they were received under UGG §200.302(b)1. federal program and federal award identification must include, as applicable:

- Assistance Listing/CFDA title and number
- Federal award identification number and year
- Name of the federal agency
- Name of the pass-through entity, if any

28. The District maintains documentation to support data reported for public excess cost aid for its students.

29. The District has policies and procedures in place to ensure it applies for all the grant funds the District is entitled to receive. In addition, the District has procedures in place so that there is adequate communication and sharing of information between the program offices and the Business Office.

30. The District submits claims for Medicaid reimbursement of all eligible expenses on a timely basis.

31. The District has considered the appropriateness of including an indirect cost allocation for all applicable grants. Some districts may decide to use all the grant funds for direct costs only.

32. All charges to grants are supported by adequate documentation, are necessary and reasonable for the performance of the federal award and are allocable to that award.

33. District staff is familiar with federal and state compliance requirements such as the Office of Management and Budget's Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (commonly called "Uniform Guidance"), and any specific grant documents.

III. REVENUE AND CASH MANAGEMENT

A. Cash Receipts and Revenue

1. The Board has authorized all District bank accounts.

2. Procedures are in place to periodically verify that only board-authorized accounts have been established.

3. Employees who handle cash are bonded.

4. Only board-authorized individuals collect cash and pre-numbered triplicate receipt forms are used when the funds are collected to establish accountability. One of the receipts should be issued to the payer, another receipt should be issued to the Treasurer and the last receipt should be signed and retained by the individual collecting the funds.

5. The District uses receipt forms or some other method (cash register, logs of tickets sold, pre-numbered tickets) to establish accountability for all funds collected, including such items as school lunch sales, soft drink sales, library fines, lost book fees, ticket sales for sporting events, concerts, plays, adult education tuition, or other miscellaneous fees and charges.

6. Someone independent of other cash and record keeping functions opens the mail, restrictively endorses all checks, establishes a record of all funds received, and prepares the deposit slip.

7. The District reconciles actual collections to budgeted amounts, especially in the extraclassroom and lunch areas. For example, if an extraclassroom fundraiser is expected to sell 100 candy bars for $1 each, the reconciliation should show either $100 in revenue or $90 plus 10 candy bars to be returned.

8. The Treasurer or claims auditor audits the triplicate receipt books periodically and maintains control over the inventory of receipt books.

9. Checks are turned over to the Business Office for deposit and someone independent of the record keeping function verifies the funds were, in fact, deposited into the bank. Generally, the person who makes the initial cash receipt list should be the person who checks their list to actual deposits.

10. The individual collecting the money should reconcile the cash received with the register tape or log of tickets sold. The reconciliation should be reviewed and approved by a supervisor.

11. Someone independent of the Business Office should periodically verify the reasonableness and completeness of all deposits.

12. The District has a procedure whereby the bank will only wire funds after it receives confirmation to do so from a second person, for whom the District has authorized to approve the transfer.

13. All wire transfer notices are retained to support the transaction.

14. All checks should be restrictively endorsed upon receipt.

15. All cash and checks are kept in a secure location, turned over to the Treasurer, and deposited in the bank on a timely basis.

16. Cash balances on the bank statements are reconciled to the cash balances on the accounting records on a monthly basis.

17. The individual(s) responsible for bank account reconciliations should obtain bank statements directly from the bank (via mail, pick-up, or other means).

18. The individual(s) responsible for the bank account reconciliations should not have any duties related to cash receipts and disbursements.

19. The individual(s) responsible for bank account reconciliations should obtain the "book balance" directly from the general ledger, not through an intermediary person or from some other document.

20. The individual(s) responsible for bank account reconciliations compares bank statement deposit dates and amounts with cash receipts book entries.

21. The individual(s) responsible for bank account reconciliations compares the date, payee, and amount on cancelled checks with cash disbursements book/warrant entries.

22. The individual(s) responsible for bank account reconciliations, on a sample or risk basis, evaluates endorsements on checks for reasonableness.

23. Once the reconciliations are completed, someone independent of the process should review them for completeness and to ensure they do not include outdated reconciling items.

24. There is adequate segregation of duties for bank reconciliations, access to cash, and record keeping.

25. The District has procedures in place to ensure it receives the revenue it is entitled to.

26. The District uses monthly billings, overdue notices, an accounts receivable aging report, and the contacting of delinquent debtors as part of its accounts receivable process.

27. The individual(s) responsible for the accounts receivable billings is prohibited from completing cash receipt and disbursements duties.

28. A supervisor periodically reviews the accounts receivable billings and reconciles the total to the general ledger amount.

B. Cash Management and Investments

29. The District has a procedure to determine if excess cash is available for investment and such amounts are transferred to interest bearing accounts to maximize revenue.

30. A summary record of key information is maintained for all investments to properly monitor and account for investments.

31. The District invests in only those types of investments permitted by General Municipal Law Sections 10(3) and 11(2).

32. The Treasurer or other district official is aware of collateral requirements and periodically verifies that the market value of pledged securities is sufficient to cover deposits in excess of the $250,000 FDIC limits.

C. Petty Cash

33. All petty cash funds are authorized by the Board and do not exceed $100 each.

34. The responsibility for each petty cash fund is vested in one person who does not have any other duties related to cash receipts.

35. All petty cash disbursements are limited to a maximum amount(s), require supervisory approval, and are supported by adequate documentation.

36. Supporting documentation is maintained for each transaction, including the original receipts or invoices marked cancelled when paid.

37. Someone independent of the petty cash function periodically audits each petty cash fund to ensure the

correct amount of cash and receipts are on hand, and that the funds are being used in accordance with the District's policies and procedures.

IV. PURCHASING AND EXPENDITURES

A. Purchasing

1. The Board appoints a purchasing agent to be responsible for developing and administering the purchasing function and committing the District to purchases by approving purchase orders.

2. The purchasing agent utilizes a purchasing calendar to facilitate the purchasing function through cyclical bidding/purchasing.

3. The District's purchasing policy addresses bidding requirements and procedures to follow when competitive bidding is not required, such as for (aggregate) purchases of professional services less than $20,000 or public works contracts less than $35,000.

4. The District purchases goods and services through the NYS Office of General Services, county governments, correctional institutions, or from state contracts/organizations that serve the disabled, where possible, and when deemed appropriate, to achieve savings and avoid the cost of bidding.

5. The District cooperatively bids through a BOCES or with other districts to obtain a better price.

6. The District establishes and maintains a list of vendors with whom it customarily conducts business.

7. Procedures are established for the initiation, approval, and use of purchase requisitions.

8. A purchase order can only be initiated based on an approved requisition.

9. All purchase orders are pre-numbered, all numbers are accounted for, and all forms are strictly controlled.

10. The District has procedures/controls in place to ensure funds are available before issuing a purchase order.

11. The Purchasing Agent reviews and approves all requisitions/purchase orders for appropriateness and necessity of the items ordered.

12. The District limits its use of confirming purchase orders (purchase order issued after the item is purchased) to emergency purchases.

13. All blanket purchase orders have a fixed monetary limit.

14. Upon receipt of goods, the District verifies the condition, quantity, and quality of the goods prior to payment.

B. Accounts Payable and Cash Disbursements

Accounts Payable

15. An accounts payable subsidiary ledger is maintained, and its balances are regularly reconciled with vendor statements and general ledger control accounts.

16. Invoices are compared to purchase orders and receiving reports to verify prices, terms, etc. prior to payment.

17. All claims presented for payment are subjected to sufficient scrutiny to assure their accuracy prior to their inclusion on a warrant or schedule of claims.

18. The District takes advantage of discounts offered by vendors.

19. All consultant services are supported by signed and dated copies of contracts, which provide the details, dates, and costs of the services to be provided.

20. All invoices are perforated or stamped at the time the check is signed for payment to prevent paying the same invoice twice.

21. The District has procedures to follow up on outstanding purchase orders over 30 days old at regular intervals.

Cash Disbursements

22. The District has authorized at least two individuals to sign checks.

23. The District requires two signatures on checks over a threshold amount.

24. A Deputy Treasurer has been appointed to sign checks when the Treasurer is unable to perform that duty.

25. All checks are directly mailed by the signer.

26. Adequate controls have been established over the custody and use of the Treasurer's signature (password protected or encrypted devices)

27. The check signer maintains a log of the check signing device's counter and accounts for all usage.

28. All blank checks and other financial stationery are safeguarded against theft, loss, or misuse.

29. Checks are not written to "cash."

30. Adequate controls are maintained over hand-drawn checks and the use of hand-drawn checks is limited to emergency situations only.

C. Payroll and Personnel

31. District policies and practices prevent payments to employees in advance of services actually being rendered.

32. Prior supervisory approval is required for overtime.

33. The budget contains a separate line item for overtime to permit analyzing its use and the potential need for additional staffing.

34. The District maintains adequate supporting documentation (e.g., time sheets, leave accruals, etc.) for payroll to ensure that payments are made only for services actually rendered.

35. The District maintains adequate supporting documentation and tracks employee sick, personal, vacation and other accrued paid time off.

36. The District has written agreements outlining compensation and benefits for employees who are not covered by union contracts.

37. Each employee must submit a time sheet or record of accrual usage for review and approval by a supervisor or management.

38. Authorizations are maintained to support all deductions from payroll checks.

39. Each payroll register is reviewed, approved, and certified by an official designated by the Board to ensure the payments are accurate and justified.

40. The District routinely performs payroll audits including a review of payroll or personnel files to compare contracts/salary notices/board appointments to actual payrolls, and to ensure that amounts withheld from employees' pay go to the intended places. Someone independent of the payroll function should review and approve the payroll change report every payroll period to ensure any payroll adjustments are appropriate and authorized, if applicable.

41. The District has written procedures describing the employment process (advertising/posting, interview, reference/credential check, offer, acceptance, starting date, etc.).

42. References and credentials are routinely verified to ensure prospective employees possess the necessary qualifications.

43. The District requires and maintains written authorizations for changes in salaries, hiring, etc.

44. The District has a system to track employee leave accruals.

45. The District requires periodic evaluations for all of its employees.

46. The District has an employee handbook that is kept current.

47. The District has employee job descriptions that outline job duties and qualifications required for all positions.

48. Unclaimed paychecks and returned W-2s are returned to an individual independent of payroll processing and are investigated.

49. Duties are adequately segregated so that the individual processing payroll transactions is different from

the individuals with responsibility for the general ledger function, payroll distribution, and reconciliation of the payroll bank account.

50. All payroll changes are authorized and documented.

51. Access to the computerized master payroll file is restricted.

52. Procedures are in place to comply with IRS and NYS Department of Taxation and Finance regulations.

53. The District has procedures to ensure individuals working for the District are properly classified as employees (W-2s) or independent contractors (1099s).

54. The District has procedures to ensure current and prospective employees are fingerprinted.

D. Travel and Conferences

55. Attendance at conferences is approved in advance by the Board or the executive officer to whom this responsibility has been delegated. If the Board delegates approval to the Superintendent, the Board should approve requests of the Superintendent.

56. The District has considered adopting the federal or state travel, lodging, and meal reimbursement rates for expenses incurred for District business. All claims for reimbursement of travel expenses must be in writing, itemized, and supported with original receipts, for official District business, audited, and approved for payment.

57. The District limits the reimbursement of travel and meal expenses to those that are actual, necessary, reasonable, and in accordance with the District's policy.

58. The District has a policy or procedure requiring board members and employees to provide an oral or written account of the benefits derived from attendance at conferences.

59. If the District authorizes travel advances, it has a policy identifying the individual(s) who may receive an advance, the use and purpose of the advance, the information that is required to account for the advance, a reconciliation of actual expenses (upon return from the trip) versus amounts advanced, and the refunding of any excess money that was advanced.

60. The District has policies that describe the circumstances when it is appropriate for providing food and beverages at meetings, training, and conferences sponsored by the District. Payment or reimbursement for alcohol is prohibited.

61. The District has established a reasonable rate for mileage reimbursement of travel.

V. FACILITIES, EQUIPMENT, AND INVENTORY CONTROLS

A. Facilities Maintenance

1. The District has a long-range plan for educational facilities and equipment replacement purchases.

2. The District monitors its energy use, has considered ways to reduce energy, and has considered the use

of energy performance contracts.

B. Facilities Construction

3. The District's voters have approved the construction of new facilities in the District.

4. The District is aware of the requirements for planning, implementing, and completing school construction projects and has procedures to ensure it obtains the necessary approvals, from the Department, and building permits for school construction projects.

5. The District has systems in place to prevent the cost of construction including change orders from exceeding the amount authorized by the voters.

6. The District has a process for recording retainage and considers it in determining that the budget is not overspent.

7. The District utilizes the appropriate professionals in the facilities construction process including bond counsel, financial advisors, and architects, as needed.

8. The District is aware of the Department's documentation and filing requirements, including those necessary to generate Building Aid.

C. Inventory Controls

9. Capital asset account values are recorded at cost or acquisition value at the time of acquisition.

10. The District has a depreciation policy that is in conformity with GAAP and requires the documentation be maintained.

11. An annual physical inspection is performed to determine that all assets are present, in usable condition, located in the assigned area, and accurately recorded in the District's capital asset records, including the inventory system.

12. The District has an individual assigned with the responsibility for maintaining the inventory system.

13. The District has a computerized system to track its capital assets inventory and maintenance of depreciation records.

14. All assets are marked or tagged with ownership identification decals.

15. The inventory system includes all of the information necessary to maintain complete and accurate records including a sufficient description (make, model, and serial number); the class of property (machinery, equipment, etc.); the year of purchase (preferably with the day and month); historical cost or estimated value, if a gift; accumulated depreciation and current year depreciation computations; and the source of financing or acquisition (general funds, federal funds, gift, etc.).

16. Procedures are in place to ensure that all asset dispositions are properly approved by the Board of Education.

17. Policies and procedures are in place to ensure that changes in assets, such as location, disposition, etc., are reflected in the District's capital asset records, including the inventory system.

18. District property, equipment, and all items that are required to be inventoried are secured in a safe location.

19. The District has a policy for the use of district owned assets, such as computers, phones, and vehicles that limits the use of such assets to official District business, only. The policy should be prudent and reasonable.

20. The District is required to specifically identify capital assets purchased with federal grant funds to conduct a physically inventory of these assets every 2 years.

VI. STUDENT SERVICES

A. Student Transportation

1. The District has policies and procedures defining student eligibility for transportation services and expenses eligible for transportation aid.

2. The District procures transportation services through competitive bidding or a request for proposal process.

3. The District has submitted all contracts in a timely manner to the Department's Pupil Transportation Unit for approval.

4. The District maintains documentation to support and account for information reported to the Department's Pupil Transportation and State Aid Units, including contracts, contract extension forms, bidding information, rider lists, bus routes, mileage records, non-pupil mileage, and allocated expenses.

5. The District monitors driver (District and contract) qualifications and inspection of buses and maintains documentation of the same.

6. The District annually evaluates the pupil transportation system for procedural and operational improvement opportunities.

B. Food Service

7. The District follows the established guidelines for processing applications for free and reduced-price meals and/or milk including public release, parent letter, and a free and reduced-price meal application.

8. The District claims aid for its lunch and breakfast programs.

9. The District has written formal procedures for obtaining, evaluating, counting, verifying, and reporting the number of (eligible) applications for free and reduced-price meals.

10. The District maintains documentation of free and reduced-price meal applicants.

11. If the District employs a food service management company to operate its breakfast and lunch

programs, the contract with the company was bid and awarded to the lowest responsible bidder.

12. The District has procedures for collecting money from children who pay for meals or milk that prevents the identification of the children receiving reduced price meals, free meals, or free milk, yet is still able to account for the numbers of each.

13. The District charges sales tax for the sale of food and drink to adults.

14. Cash receipts for lunch and vending machine sales are adequately controlled (see the Cash Receipts and Revenue section of this document).

15. Food purchases are acquired in accordance with established procurement practices and the inventory is safeguarded (see the Purchasing and Inventory Controls sections of this document).

16. Data on sales and cost of goods sold is analyzed to identify any irregularities.

17. The District has a procedure to conduct a physical count of the inventory of food and supplies at year-end.

18. The District has a process for tracking and writing off uncollectable receivables to the general fund.

C. Extraclassroom Activity Fund

19. The Board has policies and procedures for the operation of the extraclassroom activity fund that conform to the requirements of the Commissioner's Regulations.

20. The Board has a Central Treasurer for the extraclassroom activity fund.

21. The District has a process for the principal to formally approve all fundraisers.

22. The District has adequate controls over the receipt of monies through the use of pre-numbered tickets for admission to events and pre-numbered receipt forms (see the Cash Receipts section of this document) and requires the reconciliation of actual and expected receipts from fundraisers.

23. Only appropriate clubs are established.

24. Controls are in place to ensure that individual clubs do not overspend available resources.

VII. STUDENT RELATED DATA

A. Attendance

1. The District has a comprehensive attendance policy and procedures for taking attendance.

2. The District maintains a record of each student's presence, absence, tardiness, and early departure in a register of attendance.

3. The District records the reason for absence, tardiness, or early departure (such as unscheduled building closings, transfer of students in/out of the District, internal transfer from class/program, death of

student, dropping a student (20 days of unexcused absence for student not subject to compulsory attendance laws)).

4. The Board designates a teacher or other district employee to make all entries in a register of attendance and verify the entries by oath or affirmation.

5. The District has a well-documented system for attendance taking. The system should establish specific steps and identify the individuals responsible for the recording of attendance and communicating expectations to the individuals responsible for making entries in the attendance register.

6. Adequate controls over the input and access to data related to attendance have been implemented.

7. Student attendance records are reviewed by the principal of every school building and the administrator in charge of the District to ensure records are current and accurate.

8. The District keeps electronic attendance records and other documents supporting reported counts for the appropriate number of years as specified by the State Archives and Records Administration's (SARA) "Records Retention and Disposition Schedule ED-1."

9. The District has a system in place to ensure attendance reports are submitted accurately and on time.

B. Reliability of Student Performance Data

10. The District has assigned staff responsibility for the accumulation of dropout, test score, enrollment, and cohort data.

11. Written policies and procedures and adequate instructions and definitions have been developed to ensure the required tasks are performed for reporting correct information for dropouts, test scores, enrollment, and cohorts.

12. The District provides adequate guidance, instruction, and training to the parties responsible for student performance data and reporting.

13. A supervisor or the Superintendent compares data to prior years and similar districts to assess the reasonableness of the data prior to its certification and submission to the Department.

14. District staff review data published on the School Report Card and other reports for accuracy.

15. The District uses the School Report Card or other officially published reports as tools to make improvements in student performance.

16. The District has controls to ensure student performance data (i.e., BEDS, enrollment, attendance, test results, etc.) are secured, input is reliable, and output is accurate.

17. The District maintains copies of reports submitted to the Department and the source documentation for each of the data elements reported in STEP or other data reports such as a list of students, test results, etc.

18. The District maintains records showing the date each student first entered the ninth grade (cohort),

entered a NYS school, took each required Regents examination or approved alternative and the score achieved, and left the school and the reason for leaving.

19. The District maintains source documentation of the cohort data (ninth grade enrollment, school register on the given day, guidance information for transfers in and out of the District, special education office files, other).

20. The District has policies and procedures in place to ensure all students who should be tested are tested.

21. Students with disabilities who are placed outside the District (at BOCES, special act school districts, private schools, etc.) are tested and considered part of the District's cohort.

22. Home-schooled students take the necessary tests to satisfy assessment requirements.

23. The District has a system to track the location of students individually including those who left the District.

24. The District counts any students who have been absent 20 consecutive school days as dropouts.