



AUDIT AND COMPLIANCE FOR LOCAL SCHOOLS

PRESENTED BY: CINDY WILSON & LYNN BENSON

COUNTY AUDIT DIVISION

EXAMINERS OF PUBLIC ACCOUNTS



OBJECTIVES

- GUIDANCE AND RESPONSIBILITIES
- IMPORTANCE OF INTERNAL CONTROLS
- PROPER PROCEDURES – RECEIPTING & DISBURSING FUNDS
- AUDIT PROBLEMS

GUIDANCE - PROCEDURES

BALDWIN COUNTY BOARD OF EDUCATION LOCAL SCHOOL FINANCE MANUAL

- OUTLINES THE SCHOOL PRINCIPAL'S AND BOOKKEEPER'S RESPONSIBILITIES RELATING TO THE FINANCIAL MANAGEMENT OF LOCAL SCHOOL FUNDS
- INCLUDES GUIDANCE ON RECEIPTING SCHOOL FUNDS, SCHOOL RELATED ORGANIZATIONS, FUNDRAISING, PURCHASE ORDERS AND EXPENDITURES.

PRINCIPALS ARE RESPONSIBLE

PRINCIPALS ARE ULTIMATELY RESPONSIBLE FOR WHAT
HAPPENS IN THEIR SCHOOLS.

- **IT IS THE ULTIMATE RESPONSIBILITY OF THE PRINCIPAL FOR ANY SHORTAGES RESULTING FROM THE FAILURE TO FOLLOW, OR TO REQUIRE OTHERS TO FOLLOW, THE FINANCIAL PROCEDURES FOR THE HANDLING OF SCHOOL FUNDS.**

IMPORTANCE OF INTERNAL CONTROLS

Baldwin County Board of Education
October 1, 2022 through September 30, 2023

Local School Information Form

NAME OF LOCAL SCHOOL: _____

List all bank accounts maintained by the local school (FOR THE PERIOD OCTOBER 1, 2022 through SEPTEMBER 30, 2023) in the spaces provided below.

BANK / ACCOUNT NAME	ACCOUNT NUMBER	CHECKING/SAVINGS	BEGINNING CHECK NO. (OCT 1)	ENDING CHECK NO. (SEPT 30)
1. The FIRST Bank			8796	8811
2.				
3.				
4.				
5.				
6.				

Were there any range of check numbers which were skipped over during the year for any of the above accounts? If so, please identify which accounts and the check number range skipped.

Were there any other bank accounts (other than those listed above) used to deposit and/or disburse any money collected on behalf of the school? Consider any accounts that were maintained by faculty/staff, athletics or clubs; other than those maintained by approved external booster organizations. If so, please list below:

1. Does the school have any funds invested? (Certificate of Deposits, etc.)
If so, please list:

2. Does the school have any notes payable and/or lease agreements?
If yes, send copies of notes and/or agreements and give amounts below:

Notes Payable: _____
Lgpr-XEROX Monthly Charges Office Copier \$126.51 + BW Prints \$0.0066 Color Prints \$0.0451 Teacher Copier \$103.80 + BW Prints \$0.0066

3. If the following statements are not correct, please provide explanation following the statements:
There have been no --

- Irregularities involving management or employees who have significant roles in the system of internal accounting control.
- Irregularities involving other employees.
- Communications from other entities concerning noncompliance with grant contract provisions, laws, and regulations, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.

4. Were there any related-party transactions during the audit period?
No

5. Were there any violations or possible violations of budget ordinances, laws, or regulations during the audit period whose effect should be considered for disclosure in the financial statements?
No

Baldwin County Board of Education
October 1, 2022 through September 30, 2023

Internal Control Questionnaire for Local Schools Activity Funds

School: FAIRHOPE

	Yes	No	N/A	W/P Comments Reference
GENERAL				
1. Are non-cash transfers of funds and other entries approved by the principal?	X			
2. Are such entries adequately explained or supported by substantiating data?	X			
3. Are periodic financial reports prepared for submission to the principal?	X			
(a) If so, for what period? MONTHLY (weekly, monthly, quarterly)				
(b) Do these reports show sufficient information to bring to light unusual activities or overdrafts?	X			
4. List the name of officials and/or employees exercising the function noted:				
Principal ANGIE HALL				
Bookkeeper RENAE BORRELLI				
Other				
(a) Are any one of the above, to the best of your information, related? If so, who?		X		
5. Are bank accounts authorized by the school board?	X			
6. Are authorized signatures on record in the principal's office?	X			
CASH RECEIPTS				
1. Mail receipts:				
(a) Is the mail opened by someone other than the bookkeeper?	X			
(b) Is a record of the money and checks received prepared by the person opening the mail?	X			
2. Other receipts:				
(a) Are the receipts prenumbered?	X			
(b) Are unused receipts safeguarded?			X	
(c) Are the receipts clearly marked or coded as to classification or account number?	X			
3. Athletic Activity receipts:				
(a) Are prenumbered tickets issued for athletic events?	X			
(b) Is a control sheet maintained in the principal's office of the beginning ticket numbers when issued and ending ticket numbers when unused tickets are turned in?	X			
(c) Is there a check-up sheet accounting for the number of tickets used reconciling to the amount of cash turned in and any differences accounted for or investigated?	X			
(d) Is a duplicate receipt issued for all cash turned in by each ticket seller?	X			
(e) Are deposits made after each athletic event or is cash left on school premises overnight? (Use comment line to describe)		X		
Comment: ANY CASH COLLECTED FOR AN ATHLETIC EVENT IS LOCKED UP IN THE SCHOOL SAFE BY AN ADMINISTRATOR AFTER BEING COUNTED				
(f) Is there a check-up sheet filled out for each ticket seller?	X			
(g) Is the check-up sheet reconciled by the bookkeeper?	X			
4. General:				
(a) Are each day's receipts deposited in the bank intact and without delay?	X			
(b) Does someone other than the bookkeeper take the deposits to the bank?		X		
(c) Are bank debit memos (such as for N.S.F. checks) delivered directly to a responsible employee for investigation?			X	ENVISION COLLECT
(d) Are N.S.F. checks investigated and usually collected?	X			
(e) Is the bookkeeper responsible for the cash receipts from the time they are received in his/her office until they are sent to the bank?	X			
(f) Are proper physical safeguards and facilities employed to protect cash on hand?	X			
Describe:				
(g) Does any employee having custody of school funds also have custody of non-school funds? (i.e., Bank Boosters, PTA, etc.)		X		
If yes, briefly describe:				



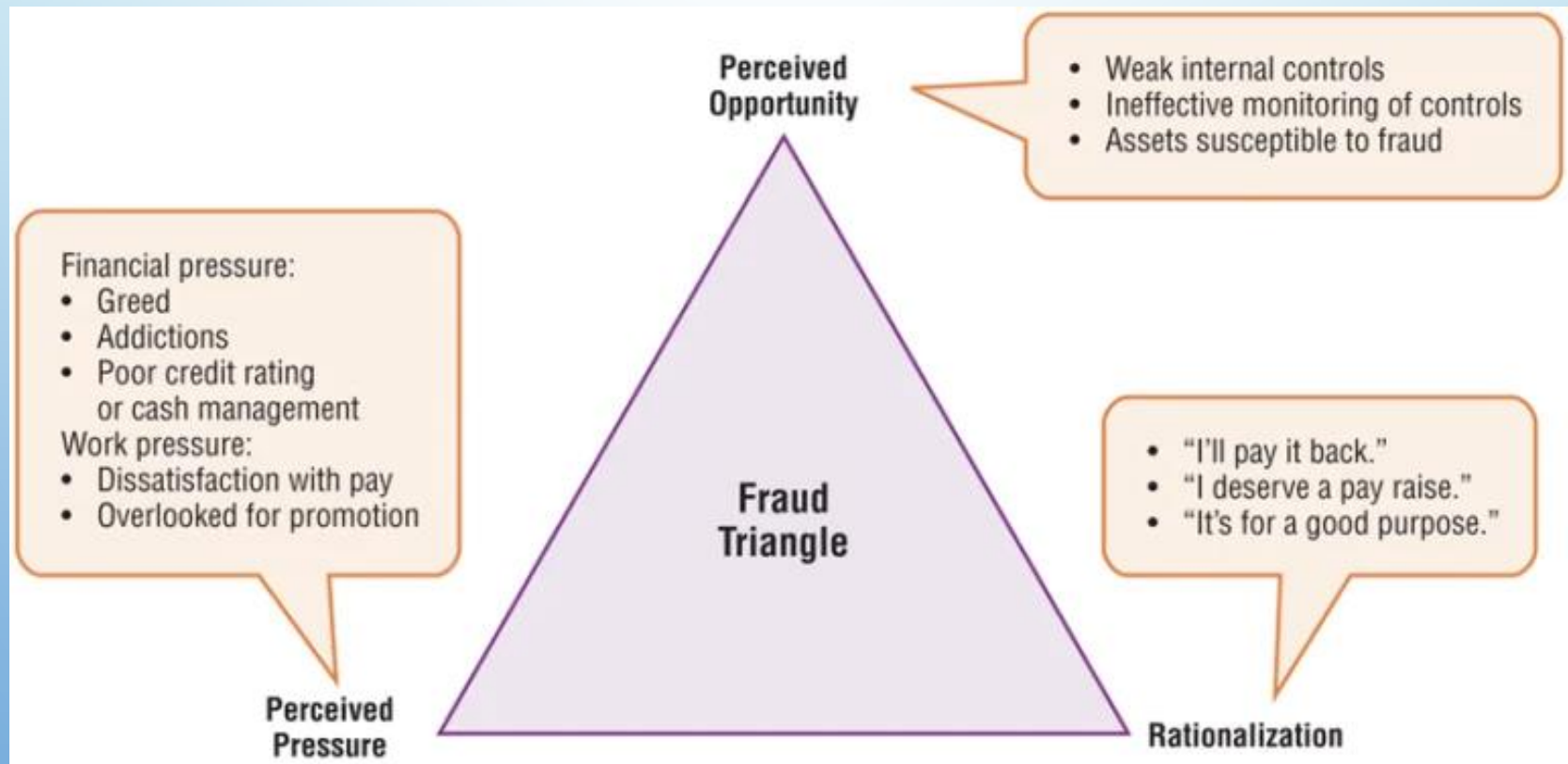
INTERNAL CONTROL- DEFINITION

A PROCESS THAT HELPS MAKE SURE THE
BIG, BAD THINGS DON'T HAPPEN

FRAUD AND MISTAKES



FRAUD TRIANGLE

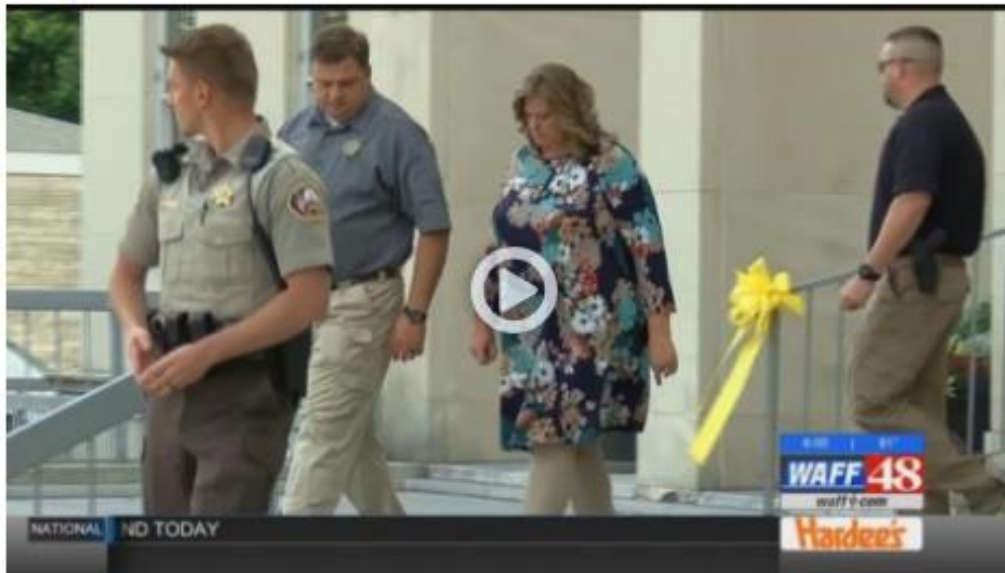


BASIC CONCEPTS TO MAKE INTERNAL CONTROLS WORK FOR YOU!

- **ESTABLISH RESPONSIBILITY**—KNOW WHO IS SUPPOSED TO BE DOING WHAT. KEY TASKS NEED TO BE ASSIGNED TO SPECIFIC INDIVIDUAL(S) AND COMMUNICATED THROUGHOUT THE SCHOOL.
- **SEGREGATE DUTIES**—MAINTAIN PROPER CUSTODY OF ASSETS, RECORD TRANSACTIONS, AUTHORIZE TRANSACTIONS AND RECONCILE TRANSACTIONS. CREATE A CHECKS AND BALANCE SYSTEM TO AVOID THEFT, FRAUD OR IMPROPRIETIES.
- **RESTRICT ACCESS**—DO NOT ALLOW JUST ANYONE TO HAVE ACCESS TO CRITICAL OR SENSITIVE INFORMATION. ACCESS SHOULD BE GIVEN ONLY TO THOSE WHO NEED IT TO COMPLETE ASSIGNED DUTIES.
- **DOCUMENT PROCEDURES AND TRANSACTIONS**—SUPPORTING DOCUMENTATION IS CRITICAL TO EVERY BUSINESS PRACTICE AND OPERATIONAL FUNCTION. ALWAYS RETAIN DOCUMENTATION (ELECTRONIC AND MANUAL).

CONSEQUENCES- LACK OF INTERNAL CONTROLS

Former Franklin County administrator sentenced to prison



Former Franklin County administrator sentenced to prison

By Levi Harvey

Updated: Jun. 11, 2018 at 5:01 PM CDT



(WAFF) - Crista Madden was sentenced today to 20 years in prison for stealing nearly \$753,889 of Franklin County funds. The former administrator will also have to make restitution for the stolen funds.

Probate Judge, Barry Moore says the administration is outraged by Madden's betrayal. He says Madden was entrusted with taxpayers money and was expected to handle that money properly. Moore says Madden stole the county's money for 10 years knowing how it would affect the struggling county.

Former Goodwyn Middle School Bookkeeper Convicted of All Financial Fraud Charges

Posted: Jun 9, 2021 5:47 PM CDT

by [WAKA Action 8 News](#)

United States Attorney Sean P. Costello of the Southern District of Alabama announces that a federal jury in Montgomery, found defendant Tiffany Culliver Franklin, 41, of Montgomery, guilty on all charges in a financial fraud case. Chief United States District Judge L. Scott Coogler presided over the trial, which started on June 7, 2021 and ended the following day. Franklin is scheduled to be sentenced in the fall of 2021.





AUDIT PROBLEMS - LOCAL SCHOOLS

- RECEIPTING
 - DEPOSITING
 - ATHLETIC EVENTS
 - PURCHASE ORDERS
 - EXPENDITURES
 - FUNDRAISERS
- 

FINDINGS RELATED TO RECEIPTING

- TEACHERS DID NOT TURN FUNDS IN TO OFFICE/BOOKKEEPER IN A TIMELY MANNER.
- TEACHER RECEIPT BOOKS WERE NOT RETAINED OR MADE AVAILABLE FOR REVIEW.
- FUNDS NOT RECONCILING WITH CORRESPONDING DOCUMENTATION.
- RECEIPTS WERE RECORDED IN THE MASTER RECEIPT BOOK AFTER BEING DEPOSITED INTO THE BANK.

PROPER PROCEDURES – RECEIPTING

- RECEIPTS SHOULD BE ISSUED FOR ALL MONEY RECEIVED.
- RECEIPTS SHOULD INDICATE IF AMOUNTS ARE “CASH” OR “CHECK”
- SECURE FUNDS RECEIVED
- DO NOT CASH CHECKS WITH FUNDS RECEIVED.

BALDWIN LOCAL SCHOOL ACCOUNTING AND REPORTING FINANCIAL POLICIES & PROCEDURES


- WHEN THE TOTAL AMOUNT OF MONIES COLLECTED BY A TEACHER/SPONSOR REACHES \$25.00, SAID FUNDS SHOULD BE SUBMITTED TO OFFICE PERSONNEL NO LATER THAN 2:00 P.M. DAILY. TEACHERS/ SPONSORS SHALL NOT KEEP ANY FUNDS IN THEIR POSSESSION OVERNIGHT.

FINDINGS RELATED TO DEPOSITS

- DEPOSITS WERE NOT BEING MADE TIMELY.
- DEPOSITS NOT DOCUMENTED AS TO CASH VS. CHECK.



PROPER PROCEDURES - DEPOSITS

- FUNDS SHOULD BE SECURED UNTIL DEPOSITED.
 - FUNDS SHOULD BE DEPOSITED DAILY
 - IF DEPOSIT CANNOT BE MADE BEFORE THE BANK CLOSES, A LOCKED NIGHT DEPOSIT BAG SHOULD BE USED TO SECURE FUNDS IN THE BANK'S NIGHT DEPOSITORY.
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Man charged in student fundraiser theft during Henagar School burglary



By [Stephen McLamb](#) | October 20, 2017 at 8:33 PM CDT - Updated August 14 at 12:36 PM



HENAGAR, AL (WAFF) - Police in DeKalb County say they arrested a man who broke into a school and stole money from a student fundraiser.



40-year-old Billy Edward Blake of Fort Payne is facing third-degree burglary and first-degree theft charges.




Henagar police say solving this crime was all about good police work and a lot of help from Valley Head Police Chief Nick Welden.

Police say Henagar School was broken into on Sept. 29. A back door was broken to gain entry, and the burglar went through the classrooms and offices of the school.

Police say it was determined that \$3,330 was taken. The money was from a barbecue fundraiser by Beta Club students for a convention trip to Birmingham.



PROPER PROCEDURES - DEPOSITING

- CHECKS SHOULD BE ENDORSED WITH “FOR DEPOSIT ONLY”, ALONG WITH SCHOOL NAME AND BANK ACCOUNT NUMBER.
 - THE DEPOSIT SLIP SHOULD CONTAIN THE MASTER RECEIPT NUMBERS OF THE FUNDS DEPOSITED.
 - THE DEPOSIT DATE AND DEPOSIT AMOUNT SHOULD BE NOTED ON THE LAST MASTER RECEIPT INCLUDED IN THE DEPOSIT.
- 

RED FLAGS- DEPOSITS

- AMOUNTS RECEIPTED AND AMOUNTS DEPOSITED DO **NOT** AGREE.
- THE AMOUNTS RECEIPTED AND AMOUNTS DEPOSITED DO AGREE, BUT THE **DEPOSIT COMPOSITION** OF CASH/CHECK/MONEY ORDER DOES **NOT** AGREE WITH MAKEUP OF COLLECTIONS PER RECEIPTS.
- AMOUNTS ON HAND INCLUDE CHECKS DATED PRIOR TO DATE OF COLLECTION OF RECEIPTS BEING COUNTED.





• FINDINGS RELATED TO ATHLETIC EVENTS

- CHECK-UP SHEETS WERE NOT PREPARED/RETAINED FOR ATHLETIC EVENTS.
 - CHECK-UP SHEETS WERE NOT PROPERLY COMPLETED.
- 

GATE RECEIPTS/PARKING

- GATE RECEIPTS AND PARKING FEES FOR PARKING ON SCHOOL PROPERTY DURING ATHLETIC EVENTS ARE CONSIDERED TO BE “PUBLIC” FUNDS.
- THE VALUE OF THE GATE RECEIPTS AND PARKING MUST BE PAID TO SCHOOL FOR EACH SEASON PASS SOLD BY BOOSTER ORGANIZATIONS.
- ALL FUNDS COLLECTED ARE TO DEPOSITED INTACT AND RECORDED IN THE SCHOOLS PUBLIC ACCOUNTS.
- ANY AMOUNTS PAID TO THE BOOSTER ORGANIZATIONS FOR THE COLLECTION OF GATE RECEIPTS/PARKING SHOULD BE HANDLED AS A SEPARATE TRANSACTION; REASONABLE %.

PROPER PROCEDURES – ATHLETIC EVENTS

- PRE-NUMBERED TICKETS SHOULD BE USED AT ALL EVENTS WHERE ADMISSION IS CHARGED
- A GATE RECEIPTS/TICKET SALES REPORT AND A CURRENCY COUNT FORM SHOULD BE COMPLETED BY EACH SELLER
- THE BOOKKEEPER SHOULD FILL OUT THE BEGINNING AND ENDING TICKET #S ISSUED AND MAKE A COPY OF THE FORM
- THE BOOKKEEPER SHOULD VERIFY THE ACCURACY OF THE FORMS AND SIGN AND FORWARD THE FORMS TO THE PRINCIPAL

PROPER PROCEDURES – ATHLETIC EVENTS

- A MASTER RECEIPT SHOULD BE ISSUED TO AN INDIVIDUAL FOR THE AMOUNT COLLECTED FROM TICKET SALES.
- A SEPARATE MASTER RECEIPT SHOULD BE ISSUED FOR THE CHANGE CASH.
- ALL CASH COLLECTED SHOULD BE DEPOSITED INTACT.
- **DO NOT** USE CASH COLLECTED/CHANGE CASH TO CASH ANY CHECKS.

FINDINGS RELATED TO PURCHASE ORDERS

- EXPENDITURES WERE MADE WITH INCOMPLETE OR NO PURCHASE ORDERS.
- PURCHASE ORDER ISSUED AFTER PURCHASE WAS MADE.

PROPER PROCEDURES – PURCHASE ORDERS


- PURPOSE OF A PURCHASE ORDER – ALLOW THE PRINCIPAL TO APPROVE EXPENDITURES PRIOR TO PURCHASE.
- A COMPLETED, PRE-NUMBERED PURCHASE ORDER SHOULD BE APPROVED BY THE PRINCIPAL BEFORE THE PURCHASE OF MATERIALS, SUPPLIES, OR EQUIPMENT.
- A PURCHASE ORDER REGISTER SHOULD BE MAINTAINED TO ACCOUNT FOR PURCHASE ORDERS.

FINDINGS RELATED TO EXPENDITURES

- EXPENDITURES DID NOT CONTAIN THE PROPER SUPPORTING DOCUMENTATION OR NONE AT ALL.
- PAYMENTS MADE FROM STATEMENTS INSTEAD OF INVOICES.
- ADVANCES TO EMPLOYEES.
- LATE PAYMENTS!
- EXPENDITURES WERE NOT PROPERLY CODED IN THE ACCOUNTING SYSTEM.
- EXPENDITURES WERE FOR UNALLOWABLE ITEMS.




• PROPER PROCEDURES - EXPENDITURES

- PAYMENTS FOR SCHOOL EXPENDITURES SHOULD BE MADE FROM THE SCHOOL'S CHECKING ACCOUNT.
 - THE PRINCIPAL SHOULD SIGN ALL CHECKS – NO SIGNATURE STAMPS.
 - THE SCHOOL BOOKKEEPER SHOULD NEVER BE THE SOLE SIGNER OR ALLOWED TO SIGN ON BEHALF OF THE PRINCIPAL.
 - DO NOT WRITE CHECKS TO "CASH".
- 




• PROPER PROCEDURES - EXPENDITURES

- DO NOT SIGN BLANK CHECKS – MUST CONTAIN PAYEE NAME AND AMOUNT.
 - DO NOT PAY FOR ITEMS IN ADVANCE OF RECEIPT OF MATERIALS, SUPPLIES, OR EQUIPMENT.
 - INVOICES AND SUPPORTING DOCUMENTS SHOULD BE PROVIDED WITH THE CHECK TO BE SIGNED.
 - INVOICES SHOULD BE CANCELLED (MARKED PAID) WHEN THE CHECK IS SIGNED.
- 



• PROPER PROCEDURES - EXPENDITURES

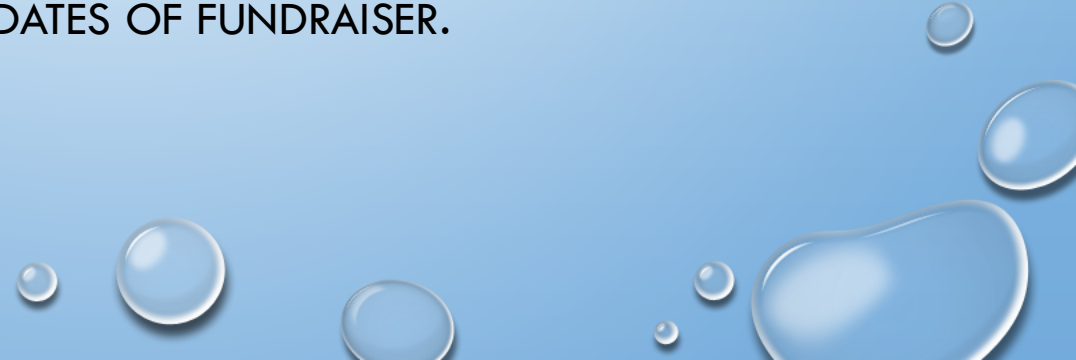
- VENDORS SHOULD BE PAID IN A TIMELY MANNER TO AVOID LATE FEES.
 - CHECKS SHOULD BE USED IN NUMERICAL ORDER.
 - CHECKS MUST BE SECURED AT ALL TIMES.
 - VOIDED CHECKS MUST BE RETAINED FOR AUDIT.
 - CHECKS OUTSTANDING FOR MORE THAN 60 DAYS SHOULD BE INVESTIGATED.
- 

FINDINGS RELATED TO FUNDRAISERS

- FUNDRAISER COLLECTIONS WERE DEPOSITED IN THE SPONSOR'S PERSONAL ACCOUNT AND RELATED EXPENSES WERE PAID WITH PERSONAL CHECKS
- FUNDRAISER COLLECTIONS WERE NOT RECEIPTED IN THE SCHOOL'S RECORDS OR DEPOSITED IN THE SCHOOL BANK ACCOUNT
- VENDORS WERE PAID FROM CASH COLLECTED OR BY MONEY ORDERS PURCHASED FROM CASH COLLECTIONS
- CONCESSION ACTIVITIES OPERATED BY BOOSTER CLUB ON SCHOOL PROPERTY WERE MAINTAINED OUTSIDE OF THE SCHOOL'S FINANCIAL RECORDS



PROPER PROCEDURES – FUNDRAISERS

- A FORM REQUESTING AUTHORIZATION FOR A FUNDRAISING ACTIVITY MUST BE APPROVED BY THE PRINCIPAL PRIOR TO THE START OF THE ACTIVITY. INFORMATION SHOULD INCLUDE:
 - DATE OF THE REQUEST
 - NAME OF INDIVIDUAL MAKING THE REQUEST.
 - ACTIVITY ACCOUNT THAT WILL RECEIVE PROCEEDS.
 - CLASS, CLUB OR ORGANIZATION THAT WILL CONDUCT THE ACTIVITY, IF APPLICABLE.
 - BEGINNING AND ENDING DATES OF FUNDRAISER.
- 

PROPER PROCEDURES – FUNDRAISERS


- FUNDRAISERS MUST COMPLY WITH FINANCIAL PROCEDURES FOR OTHER SCHOOL FUNDS
- WITHIN A REASONABLE TIME AFTER COMPLETION OF THE FUNDRAISING ACTIVITY, A FORM SHOULD BE SUBMITTED TO THE PRINCIPAL THAT DOCUMENTS THE RESULTS OF THE FUNDRAISER
- ALL FORMS AND RECORDS OF THE FUNDRAISING ACTIVITIES SHOULD BE MAINTAINED FOR AUDIT PURPOSES

The background is a light blue gradient. In the top-left and bottom-right corners, there are several realistic water droplets of various sizes, some with highlights and shadows, giving them a 3D appearance.

OTHER AUDIT ITEMS



• RECONCILIATION OF BANK ACCOUNTS

- ALL BANK ACCOUNTS SHOULD BE RECONCILED MONTHLY AND REVIEWED BY THE PRINCIPAL. THIS WILL ENSURE THAT ERRORS ARE DISCOVERED IN A TIMELY MANNER. CORRECTIONS MAY THEN BE MADE SO SCHOOL WILL HAVE ACCURATE FINANCIAL DATA.
 - ANY RECONCILING ITEM THAT CARRIES FORWARD BEYOND ONE MONTH SHOULD BE INVESTIGATED AND HANDLED PROPERLY.
- 

BORROWING MONEY

- A SCHOOL DOES NOT HAVE AUTHORITY TO BORROW MONEY.
- ONLY THE BOARD HAS THE AUTHORITY TO BORROW MONEY.
- SCHOOLS CAN NOT LOAN MONEY TO CLUBS, PTA'S, ETC.
- COPIER LEASES – MUST BE APPROVED BY THE BOARD; NO MORE THAN 5 YEARS IN LENGTH.

DEFICIT BALANCES - NON-PUBLIC ACCOUNTS

- DEFICIT BALANCES IN NON-PUBLIC ACTIVITIES/ACCOUNTS ARE NOT ALLOWED.
- THE SCHOOL CAN NOT LOAN MONEY OR EXTEND CREDIT TO INDIVIDUALS PER THE STATE CONSTITUTION -SECTION 94
- THE PRINCIPAL/BOOKKEEPER SHOULD ENSURE MONEY IS AVAILABLE FOR A NON-PUBLIC EXPENDITURE PRIOR TO AUTHORIZING A PURCHASE ORDER.

VENDING

- ALL MONIES DERIVED FROM VENDING MACHINES LOCATED ON SCHOOL PROPERTY IS CONSIDERED TO BE “PUBLIC” MONEY
- THE PRINCIPAL SHOULD PERIODICALLY REVIEW THE CONCESSION PROFITS OR LOSSES TO DETERMINE IF PROFIT MARGIN IS REASONABLE OR IF ANY PROBLEMS MAY EXIST
- IF THE SCHOOL MANAGES THE VENDING MACHINES, TWO PEOPLE SHOULD BE INVOLVED IN THE PROCESS OF COLLECTING AND RECEIPTING THE MONEY

CONCESSIONS

- EVENT CONCESSIONS, SCHOOL CONCESSIONS, AND SCHOOL STORES
- IDEALLY, A CASH REGISTER WOULD BE USED TO ACCOUNT FOR THE CASH COLLECTED. THE PURCHASER WOULD RECEIVE A CASH REGISTER RECEIPT AND THE CASH REGISTER WOULD GENERATE A RECORD OF SALES. AN INVENTORY OF ITEMS PURCHASED, ITEMS SOLD BY SALES PRICE, AND ITEMS UNSOLD SHOULD RECONCILE TO THE CASH COLLECTED.

CAPITAL ASSETS

- ▶ NOTIFY THE BOARD CENTRAL OFFICE FOR ANY ASSET PURCHASE WHICH EXCEEDS THE BOARD'S CAPITALIZATION THRESHOLD – TYPICALLY \$5,000
- ▶ ALSO, WOULD INCLUDE A DONATED ASSET

UNALLOWABLE EXPENDITURES - PUBLIC FUNDS

- GIFT ITEMS FOR STAFF
- FLOWERS FOR STAFF AND/OR FAMILIES
- T-SHIRTS FOR OFFICE STAFF
- STAFF HOLIDAY PARTIES / CHRISTMAS GIFTS
- CHRISTMAS CARDS
- DONATIONS TO VARIOUS ORGANIZATIONS



UNALLOWABLE EXPENDITURES - PUBLIC FUNDS

- DUES TO PRIVATE CLUBS (ROTARY, KIWANIS)
- ALCOHOLIC BEVERAGES
- SCHOLARSHIPS FOR STUDENTS
- MEALS FOR SPOUSES
- FOOD ITEMS FOR TEACHERS
- COFFEE AND CUPS FOR EMPLOYEES



FOOD PURCHASES

- NUMEROUS QUESTIONS ARISE SURROUNDING THE PURCHASE OF FOOD ITEMS OR REFRESHMENTS FROM PUBLIC FUNDS.
 - ALL-DAY PROFESSIONAL TRAINING MEETINGS - YES
 - OPEN HOUSES - YES
 - AFTER-SCHOOL STAFF MEETINGS - NO
 - STAFF MEETING DAY BEFORE SCHOOL STARTS/END OF YEAR – NO
 - CANDY - NO

ALLOWABLE EXPENDITURES - PUBLIC FUNDS

- EXPENDITURES FOR PICTURES FOR SCHOOL OFFICE.
- EXPENDITURES FOR FLOWER ARRANGEMENT FOR SCHOOL OFFICE.
- ATHLETIC RECEIPTS CAN BE EXPENDED FOR PREGAME MEALS FOR THE ATHLETIC PARTICIPANTS AND COACHES. (PRINCIPAL AND PARENTS NOT INCLUDED)

ALLOWABLE EXPENDITURES - PUBLIC FUNDS

- REFRESHMENTS EXPENDED FOR A PUBLIC OPEN HOUSE AT A SCHOOL.
- TRANSPORTATION TO EVENTS RELATED TO A SCHOOL SPONSORED ACTIVITY.
- MEALS FOR FACULTY AND STAFF FOR A MEETING THAT EXTENDED INTO LUNCH HOUR AND FOOD HAD TO BE PROVIDED FOR THE MEETING TO CONTINUE – UNPLANNED.


CONSTITUTIONAL AMENDMENT NO. 558

- MAY EXPEND PUBLIC FUNDS FOR THE RECOGNITION OF SIGNIFICANT ACADEMIC ACHIEVEMENT OR CONTRIBUTIONS TO EDUCATION.
- MAY EXPEND PUBLIC FUNDS TO PROMOTE EDUCATIONAL EXCELLENCE BY STUDENTS, FACULTY, STAFF, AND THE PUBLIC.
- RECOGNITIONS MAY BE IN THE FORM OF TROPHIES, PLAQUES, ACADEMIC BANQUETS, AND OTHER HONORS.





EXTERNAL ORGANIZATIONS/GASB 39

- WHY DO AUDITORS NEED TO HAVE CERTAIN INFORMATION ABOUT OUR BOOSTER ORGANIZATIONS, PTO'S AND PTA'S?
 - ARE THE AUDITORS GOING TO AUDIT THESE AGENCIES?
- 

EXTERNAL ORGANIZATIONS/GASB 39

- THE GASB REQUIRES THAT CERTAIN ORGANIZATIONS BE INCLUDED IN THE BOARD'S FINANCIAL STATEMENTS (AS COMPONENT UNITS), IF THE NATURE AND SIGNIFICANCE OF THEIR RELATIONSHIP WITH THE BOARD IS SIGNIFICANT TO THE BOARD'S FINANCIAL STATEMENTS.
 - BOOSTER CLUBS – ATHLETIC AND BAND
 - PTA'S/PTO'S
 - ANY OTHER AFFILIATED ORGANIZATIONS

EXTERNAL ORGANIZATIONS/GASB 39

- ▶ TO DETERMINE IF AN ORGANIZATION IS SIGNIFICANT, WE MUST OBTAIN CERTAIN FINANCIAL INFORMATION FROM THESE ORGANIZATIONS (I.E., REVENUES & EXPENDITURES).
- ▶ IT IS OUR PROFESSIONAL OPINION THAT THE MAJORITY OF THE TIME, THESE ORGANIZATIONS WILL NOT BE SIGNIFICANT TO THE BOARD'S FINANCIAL STATEMENTS AND WILL NOT HAVE TO BE INCLUDED.
- ▶ HOWEVER, WE ARE BOUND BY AUDITING STANDARDS TO DOCUMENT THIS IN OUR WORKING PAPERS.

PLEASE ENCOURAGE FULL COOPERATION!

The image features a light blue gradient background. In the top-left and bottom-right corners, there are clusters of realistic water droplets of various sizes, some with highlights and shadows, giving them a 3D appearance. The word "QUESTIONS?" is centered in the middle of the image in a bold, black, sans-serif font.

QUESTIONS?



THANK YOU!

► DEPARTMENT WEBSITE: WWW.EXAMINERS.ALABAMA.GOV

► “FRAUD HOTLINE” TO REPORT FRAUD, WASTE OR ABUSE:

1-844-56-FRAUD (1-844-563-7283)

