

**Hicksville Union Free School District**  
**Report on the Internal Controls of the Business Office Cycle**  
**June 2021**

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**I. Scope of Engagement**

The Board of Education of the Hicksville Union Free School District has engaged Nawrocki Smith LLP to provide internal audit services with respect to the District's policies, procedures, and internal controls pertaining to the Business Office Cycle. As part of this engagement, we performed extensive analysis and validation tests within the District's Business Office Cycle.

The objectives of our analysis were to determine whether the organizational structure of the Business Office is effective in maintaining a strong control environment and whether internal controls pertaining to the business processes are adequate, duties are properly segregated and performed, and controls are properly implemented thus safeguarding the District's assets. Additionally, we were asked to assess the current Business Office staffing model in relation to the necessary responsibilities of that office.

Our analysis within each functional area consisted of the following:

- Documented functional area policies and procedures applicable to the Business Office Cycle after interviews and discussions with key employees
- Identified key controls within each functional area of the Business Office Cycle and performed audit tests of those controls
- Made observations and recommendations pertaining to the internal controls of the Business Office Cycle based on observations and testing that was performed

Interviews and inquiries were conducted with the following District employees:

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<u>Title</u>	<u>Department</u>
Assistant Superintendent for Business	Business Office
Director of Business Services	Business Office
Assistant Director of Business Services	Business Office
Purchasing Agent	Business Office
Principal Account Clerk	Business Office
Senior Account Clerks	Business Office
Account Clerk	Business Office

We reviewed each employee's job duties during the course of our audit. We have documented their responsibilities and applicable control procedures by way of Exhibits A and B.

## **II. General Controls and Governance**

The District's current Business Office procedures are carried out by ten (10) employees. The District maintains the civil service job descriptions for each employee covered under the bargaining unit agreement.

We reviewed the job duties for the ten (10) Business Office employees to ensure proper segregation of duties..

We noted that duties are properly segregated, and work performed by each employee is in accordance with their job description.

➤ *No recommendation at this time.*

## **III. Revenue & Cash Management**

### **Cash Receipts**

Cash receipts consist of cash and checks received by the District as a source of revenue to offset certain expenses. Cash receipts include, but are not limited to, cash and checks received for field trips, health insurance, out of district tuition, use of facilities, and donations. Documented, knowledgeable oversight and proper segregation of duties of the cash receipts process can increase the District's control over its resources.

We selected fifteen (15) cash receipts for the months of July 2020 through January 2021 to determine that the cash receipt agrees to the cash log book entry, deposit slips, bank statements and supporting documentation, and that the receipt was deposited timely.

### **Observation**

We determined that all cash receipts selected for testing were in compliance with our objectives noted above.

➤ *No recommendation at this time.*

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*Bank Reconciliations*

Bank reconciliations and Treasurer's Reports show the relationship between the recorded cash inflow and outflow and the actual cash inflow and outflow. For that reason, it is imperative to monitor this relationship to identify and rectify outstanding and unusual items in a timely manner. Bank reconciliations are an essential part of the District's financial reporting and Board of Education oversight. Timely preparation and review of financial reports ensures that the District and Board can make educated financial decisions.

We analyzed one hundred percent (100%) of bank reconciliations, thirteen (13) in total, and monthly Treasurer's Reports for October and November 2020 to determine that each was mathematically accurate, reported bank balances agreed to corresponding bank statements, reported opening and ending balances agreed to general ledger balances and supporting documentation was maintained for reconciling items. We also reviewed the reconciling items to ensure they did not include unusual or long outstanding items.

*Observation*

We noted that the bank reconciliations selected were in compliance with testing objectives noted above.

- *No recommendation at this time.*

**IV. Purchasing & Accounts Payable**

General Municipal Law ("GML"), Section 103 established annual dollar amount thresholds requiring competitive bids based on the type of expenditure. Purchase contracts for materials, equipment and supplies estimated to exceed \$20,000 annually must be competitively bid and public work contracts estimated to exceed \$35,000 annually must be competitively bid. The District's Purchasing Policy documents the threshold amounts for which quotes must be obtained when annual expenditures are below the competitive bidding thresholds.

Vendor payments, including commercial account card payments, and employee reimbursements are processed by the Accounts Payable Department. A payment is issued to a vendor only after the purchasing requirements set forth by the District's purchasing policy and General Municipal Law have been satisfied. Payment packets typically include the purchase order, corresponding invoice(s), copy of the check, and any additional supporting documentation.

We selected fifteen (15) cash disbursements from July 2020 to January 2021 and reviewed supporting documentation to determine compliance with the District purchasing policy and General Municipal Law, utilization of proper budget codes and Claims Auditor approval. We also reviewed the cash disbursements for confirming purchase orders, complete supporting documentation, proper approval and receiving signatures, payments made from original invoices, appropriate shipping addresses, correct remittance addresses, any invoices outstanding more than ninety (90) days, and to ensure that New York State sales tax was not paid.

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**Observation**

We noted that the cash disbursements selected were in compliance with testing objectives noted above.

- *No recommendation at this time.*

We also selected a sample of fifteen (15) employee reimbursements from July 2020 to January 2021 to determine compliance with the District's policies, evidence of approval, and adequacy and reasonableness of itemized original receipts.

**Observation and Recommendation #1**

We noted that one (1) of the employee reimbursements was processed for a teacher at the District who also had a separate service agreement with the District that states she is to be considered an independent contractor and "shall not be considered as having employee status." The reimbursement was for services covered under the separate service agreement.

- *We recommend that the District review the contract in place for the employee noted above and determine their status within the District and update their contract, if necessary. We also recommend that the District compare service agreements to the employee listing before entering into the agreement.*

**V. Payroll**

Payroll disbursements are processed in the Business Office and consist of semi-monthly payments to employees for contractual, hourly, per diem, and overtime hours worked. Payment rates vary by employee type, title, and years at the District. For that reason, it is imperative to monitor payroll disbursements to ensure that the District is paying employees in accordance with employee bargaining unit contracts, individual contracts, or Board of Education approval.

We reviewed fifteen (15) contractual payments included in the December 4, 2020 payroll to determine that each rate of pay agreed to employee/bargaining unit agreements or Board approved rates of pay. We also reviewed fifteen (15) hourly or overtime payments determine each were paid at an approved rate, timesheets were properly approved and agreed to time paid, and that any overtime was pre-approved.

**Observation**

We noted that the fifteen (15) contractual payments and fifteen (15) hourly or overtime payments were in compliance with the objectives noted above.

- *No recommendation at this time.*

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**VI. Accounting & Reporting**

*Journal Entries*

Journal entries include a wide range of infrequent or perhaps unexpected transactions. Documented oversight of the general journal, that is both consistent and reliable, can increase the District's control over its journal entries and reduce the likelihood of error or misappropriation.

We selected fifteen (15) journal entries from the period July to December 2020 to ensure the compliance with District policies and procedures, documentation to support each journal entry is maintained, and each journal entry was properly approved.

**Observation**

We noted that all fifteen (15) journal entries selected for testing were properly supported and approved.

➤ *No recommendation at this time.*

*Budget Transfers*

The objective of budget transfer testing is to ensure that transfers are being properly approved and completed in accordance with District policy. It must also be ensured that budget transfers are in conformance with the restrictions of Section 170.2(1) Commissioners Regulations and Chapter 436 of the Laws of 1997, regarding transfers to and from non-contingent expense codes. Documented oversight of budget transfers, that is both consistent and reliable, can increase the District's control over this process and reduce the likelihood of error or misappropriation.

We selected fifteen (15) budget transfers from the period July 2020 to January 2021 to ensure the compliance with District policies and Section 170.2(1) of the Commissioner's Regulations, documentation to support each journal entry is maintained, and each journal entry was properly approved.

**Observation**

We noted that all fifteen (15) budget transfers selected for testing were properly supported, approved in accordance with District policy, and in compliance with Section 170.2(1) of the Commissioners Regulations and Chapter 436 of the Laws of 1997.

➤ *No recommendation at this time.*

**VII. Risk Rating and Audit Opinion**

Inherent Risk:	High
Control Risk:	Low
Audit Opinion:	Satisfactory

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**RISK RATING DEFINITIONS**

**Inherent Risk** – Inherent risk is the risk of a material misstatement in the un-audited information assuming the absence of internal control procedures. Inherent risk includes any risk arising from fraud. As with other risks, inherent risk may be evaluated at various levels of aggregation (e.g. financial statement level, account balance assertion level) and at various stages during the course of the audit (e.g. client acceptance/retention state, audit planning stage, etc.).

***Inherent Risk** is particular to the area being reviewed if there were no controls in place. Thus, if there were no control procedures in place pertaining to the particular area, what is the risk of a material misstatement.*

**Control Risk** – Control risk is the risk that a material misstatement in the un-audited information will not be detected and corrected by management’s internal control procedures on a timely basis. Auditors evaluate control risk at the account balance assertion level based on a detailed knowledge of the client’s business. Auditors may evaluate this risk in the second, third, and fourth audit stages, namely the audit planning, control testing, and substantive testing stages.

***Control Risk** is particular to the District’s controls currently in place in the area being reviewed. Thus, what is the risk of a material misstatement with the control procedures currently in place.*

**Audit Opinion** – Based upon the audit work performed and our assessment of the controls within each particular audit area an audit opinion is provided for each audit area from one of the following three (3) categories:

Satisfactory:                      Controls are operating effectively

Needs Improvement:            Controls need improvement for effectiveness

Unsatisfactory:                   Controls are unacceptable and need immediate improvement

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**Analysis of Business Office Staff Responsibilities of Employees as of June 2021**  
**Exhibit 1**

**Director of Business Services**

Accounting & Reporting

- Reports directly to the Assistant Superintendent for Business
- Oversees the Assistant Director of Business Services and employees in Business Office
- Prepares journal entries as needed
- Approves journal entries requested by the Assistant Director of Business Services
- Reviews bank reconciliations prepared by the Assistant Director of Business Services
- Prepares fund balance projections with the Assistant Superintendent for Business
- Prepares final cost reports for capital projects
- Reconciles grant revenue and expenditures on a quarterly basis
- Prepares FS-10-F for grants and Maintenance of Effort calculation for IDEA grant
- Releases requested wire transfers using online banking
- Reviews calculation of District's health services rate calculated by the Assistant Director for Business Services

Purchasing

- Approves capital project requisitions prior to Purchasing Agent approval
- Signs checks with password protected signatures disk
- Maintains files for open and complete capital projects including New York State Education Department ("NYSED") filings, bids, payment applications and change orders
- Reviews open purchase order listing toward the end of the school year

Payroll

- Reviews first payroll of the new school year to ensure salary increases have been rolled over correctly
- Oversees implementation of Optigate platform for employees to view pay stubs online
- Reviews Form 941 – Employer's Quarterly Federal Tax Return and Form NYS-45 – Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return before submission by Senior Account Clerk

**Assistant Director of Business Services**

Accounting & Reporting

- Reports directly to the Director of Business Services
- Oversees the employees in Business Office
- Prepares monthly bank reconciliations, Treasurer's Reports, collateral statement and interest summary statement
- Releases requested wire transfers using online banking
- Posts budget transfers after approval by the Assistant Superintendent for Business, Superintendent, and Board of Education, if required.
- Approves journal entries requested by the Principal Account Clerk and Senior Account Clerk
- Reconciles state aid and PILOT revenue
- Prepares quarterly sales tax returns for extraclassroom activity funds and adult meal sales

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- Prepares quarterly worker's compensation filing
- Performs monthly review of negative budget account codes to determine if transfers are required
- Calculates District's health services rate to use for billing other Districts
- Performs quarterly review of due to/due from accounts
- Prepares quarterly Form 941 reconciliation
- Performs year end inventory count of school lunch inventory with Senior Account Clerk and Food Service Director
- Prepares compensated absence worksheet at end of school year

Purchasing

- Reviews open purchase order listing toward the end of the school year

<b><i>Purchasing Agent</i></b>
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Purchasing

- Performs review of requisitions for compliance with District's Purchasing Policy and General Municipal Law
- Prepares bids and requests for proposal with department supervisors
- Send advertisement for bids
- Attends bid openings
- Sends award letter to winning bidder and notification of those who did not win the bid
- Sends copies of purchase order to the vendor and building that will receive the goods or services
- Adds new vendors to nVision
- Collects Form W-9 from vendors

<b><i>Principal Account Clerk</i></b>
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Cash Receipts

- Posts receipts recorded by Senior Account Clerk in logbook in nVision
- Prepares billing for Willet Avenue rental or Civil Service if using the District's facilities for testing

Accounting & Reporting

- Posts journal entries
- Clears checks in nVision
- Maintains listing of stale dated checks and sends out letters to vendors.
- Stops payment on stale dated checks
- Prepares W-2s and 1099s using nVision
- Prepares information for Seneca Consulting for Affordable Care Act reporting
- Enters wire transfer requests in online banking
- Tracks cash receipts and cash disbursements recorded by club advisors

<b><i>Senior Account Clerk (M.C.)</i></b>
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**Analysis of Business Office Staff Responsibilities of Employees as of June 2021**  
**Exhibit 1**

Cash Receipts

- Receives cash receipts in the mail and logs into a cash receipt book
- Prepares bank deposit slip and bank deposit bag
- Maintains Excel log of deposits
- Maintains cash receipt documentation including bank receipt returned by the courier
- Receives unused petty cash from the buildings and deposits in the bank at the end of the school year
- Receives notifications of wire transfers into the District's bank account and will post cash receipt

Accounting & Reporting

- Posts journal entries
- Prepares monthly meal claims using reports from Scholarship and reconciles to payments received
- Reviews petty cash replenishment requests prior to processing by the Accounts Payable Department
- Enters wire transfer requests in online banking
- Sends letters to colleges to request enrollment records for students who receive ongoing scholarships.
- Receives enrollment records and forwards to Accounts Payable Department for payment processing

**Senior Account Clerk (G.R.)**

Payroll

- Reviews new employee information entered into nVision by the Human Resources Department for accuracy
- Enters direct deposit information, tax elections and benefit deductions for employees in nVision
- Reviews timesheets submitted by employees for mathematical accuracy and proper approvals
- Enters timesheets into nVision for payment
- Reconciles payroll before processing and submitting to Assistant Superintendent for Business for certification
- Uploads direct deposit file to bank using online banking
- Reviews Form 941 – Employer's Quarterly Federal Tax Return and Form NYS-45 – Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return and submits after approval by the Director for Business Services

**Senior Account Clerk (A.D.)**

Cash Disbursements

- Matches invoices received to purchase orders
- Reviews invoices received to contracts or purchase order detail to ensure pricing is accurate
- Enters payments into nVision after receipt of an approved receiving copy of the purchase order
- Contacts vendor to resolve billing discrepancies
- Mail checks to vendors after approval by the Claims Auditor

**Account Clerk**

Cash Disbursements

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***Exhibit 1***

- Matches invoices received to purchase orders
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- Mail checks to vendors after approval by the Claims Auditor

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**Exhibit 2**

***Budget Transfers***

1. The requestor prepares budget transfer request forms and supporting documentation. The requestor forward requests and documentation to the Business Office for processing.
2. The Assistant Superintendent for Business reviews budget transfer request forms and applicable supporting documentation for appropriateness and verifies that sufficient funds exist for each transaction.
3. The Assistant Superintendent for Business signs off and dates the approval on the budget transfer form.
4. The Assistant Superintendent for Business forwards budget transfer requests to the Superintendent for review and approval. If the amount is greater than \$10,000 (or \$100,000 for payroll budget codes), the budget transfer requires Board of Education approval.
5. A monthly report is prepared of all requested budget transfers that require Board of Education approval. A report of budget transfers under the threshold is also provided to the Board of Education for informational purposes.
6. Approved budget transfer request forms are returned to the Assistant Director for Business Services for data entry into nVision.
7. The Assistant Director for Business Services maintains a file of all budget transfer request forms and supporting documentation.

***Journal Entries***

1. The Director of Business Services, Assistant Director of Business Services, Principal Account Clerk, Senior Account Clerk enter journal entries in nVision. A printout of the entry from nVision is printed and supporting documentation is attached.
2. The Assistant Superintendent for Business or Assistant Director of Business Services will review and sign off and date the approval on the nVision printout for entries posted by the Director of Business Services. The Director of Business Services reviews and approves entries posted by the Assistant Director of Business Services. The Assistant Director of Business Services reviews and approves entries posted by the Principal Account Clerk and Senior Account Clerk.
3. The Director of Business Services and Assistant Director of Business Services maintain a file of all nVision printouts and supporting documentation for journal entries.

***Cash Receipts***

1. The District receives checks and cash through the mail or through interoffice mail from the building level offices.
2. Mail is opened by the Senior Account Clerk.
3. The Senior Account Clerk will log the checks received into a cash receipt book and prepare the deposit slip and bank deposit bag.

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Exhibit 2***

4. The courier will take the deposit bag to the bank and return the bank receipt to the Senior Account Clerk.
5. After the checks are logged in, they are given to the Principal Account Clerk to record in nVision.
6. Cash receipt packets are maintained in a file by the Senior Account Clerk.

<b><i>Bank Reconciliations</i></b>
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1. The Assistant Director for Business Services prints monthly bank statements for all District accounts from the bank website, and prints general ledger detail for all District accounts from nVision. Hard copies of bank statements are also received in the mail.
2. The Principal Account Clerk clears checks in nVision.
3. The Assistant Director for Business Services reconciles activity reported on bank statements to the activity reported on nVision.
4. The Assistant Director for Business Services details activity by bank account within an Excel spreadsheet, noting any exceptions, such as outstanding checks or deposits in transit, that are not properly reflected on the monthly bank statement.
5. The Assistant Director for Business Services prepares bank reconciliation forms.
6. The Assistant Director for Business Services attaches the following supporting documentation to each bank reconciliation:
  - a. Bank statement
  - b. Outstanding check listing
  - c. Copies of non-reconciling items (e.g. cash receipts, journal entries)
  - d. nVision general ledger detail
7. The Assistant Director for Business Services prepares the Treasurer's Report for all funds and bank accounts.
8. The District Clerk issues Treasurer's Reports to the Board of Education on a monthly basis.
9. The Board of Education approves monthly Treasurer's Reports.

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<b>Payroll</b>
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**Payroll Data Entry (New Hire)**

1. The Human Resources Department will add a new employee in nVision. The Human Resources Department will enter the new employee's demographic information, salary, budget code and retirement system information.
2. The Human Resources Department notifies the Payroll Department of a new employee by sending a Payroll Authorization Form. Information on the form is compared to nVision by the Payroll Department.
3. The Human Resources Department is responsible for entering pay rate changes.

**Attendance Recording**

1. The Payroll Account Clerk receives timesheets for substitutes. Timesheets are also submitted by any employee who request additional pay for items such as overtime.
2. The timesheets include the school, pay period, time in/out, and hours worked, and are signed by the employee and their supervisor.
3. Timesheets submitted to the Senior Account Clerk without approval signatures are not processed and returned to the main offices from which they were originated.
4. The Senior Account Clerk files timesheets by pay period.

**Payroll Processing**

1. The District processes payroll through nVision on a bi-weekly basis. Payroll schedules are preset in nVision based upon the bi-weekly pay periods.
2. The Payroll Account Clerk "generates" payroll in nVision to start the payroll process. By doing so, nVision automatically calculates the contractual payments.
3. Rates have already been entered into nVision, and therefore, each employee's payment amount is automatically calculated once the hours are entered.
4. After all timesheets have been manually entered, each timesheet is compared to the nVision entry to ensure accuracy.
5. Once all timesheets have been entered, the Senior Account Clerk "calculates" the payroll. The calculate function in nVision automatically calculates the tax withholdings and other deductions for each employee.
6. Payroll is certified by the Assistant Superintendent for Business.

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***Exhibit 2***

**Payroll Disbursements**

**Payroll Checks**

1. Payroll checks are signed by the Director of Business Services using a password protected electronic signature disk.
2. Checks are given to the Human Resources Department to sort by and give to the courier for distribution to each building.
3. Unclaimed payroll checks sent back to the Human Resources Department and mailed.
4. A log is maintained of all unclaimed payroll checks that have been mailed.
5. The Senior Account Clerk generates a query in nVision for direct deposits and uploads to the bank.
6. Pay stubs for direct deposits are include with live checks sent to the buildings for distribution.

**Wire Transfers**

1. The Director for Business Service or Assistant Director for Business Services conducts intra-bank wire transfers from the General, Federal, and School Lunch Funds to the Trust & Agency Fund to transfer funds to the payroll accounts.
2. The Senior Account Clerk conducts wire transfers through Automatic Clearing House (“ACH”) to make payments from the Trust and Agency Fund for withholding remittances.
3. Bank transfers between District accounts do not need approval. Templates have already been created in the online banking platform.
4. Wire transfers out of District accounts are entered by the Principal Account Clerk or Senior Account Clerk and are released by the Director for Business Service or Assistant Director for Business Services.

**Trust & Agency Fund Checks**

1. The Payroll Account Clerks use nVision to determine the total deductions to be remitted to providers each payroll. Remittances are entered into a Trust & Agency warrant that includes both checks and wire transfers.
2. The District Claims Auditor reviews and approves all the Trust & Agency Fund warrant.
3. The Accounts Payable Department mails the Trust & Agency Fund checks.

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**Payroll Tax Filing**

**Form 941 – Employer’s Quarterly Federal Payroll Tax Return**

1. The Senior Account Clerk prepares Form 941 – *Employer’s Quarterly Federal Tax Return* and Form NYS-45 – *Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return*.
2. The Senior Account Clerk reconciles the tax payments made to the information in nVision prior to completing the forms noted above.
3. The Director for Business Services reviews Form 941 and Form NYS-45 for accuracy and completeness prior to signing and mailing or submitting online.

**Form W-2 – Wage and Tax Statements**

1. Form W-2s are prepared by nVision by the Principal Account Clerk.
2. The Principal Account Clerk uploads a Form W-2 listing generated in nVision to the SSA website.

**TRS & ERS Reports**

1. The Senior Account Clerk files monthly reports to the TRS and ERS programs indicating the employee names and their contributions to their retirement accounts using reports generated from nVision.

<b><i>Purchasing &amp; Accounts Payable</i></b>
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**Competitive Bidding**

1. State law requires that bids be requested when purchasing an item or commodity, which exceeds the dollar limits established by Section 103 of the General Municipal Law. Competitive bidding requirements do not apply when the District purchases goods from federal or state governments, other political subdivisions or public benefit corporations within the state. This includes New York State, BOCES, and Ed-Data.
2. Dollar limits established by law currently require purchases involving an item or commodity group of \$20,000 or more and public works services of \$35,000 or more be advertised and awarded based on formal bids.
3. The Purchasing Agent will place the advertisement for their needs in the local newspaper and requests prospective vendors to submit their bid prior to a selected due date.
4. Prospective vendors submit their responses to the Purchasing Agent according to the due date specified in bid. The Purchasing Agent maintains bid responses received prior to the opening date.
5. Bid openings are attended by the Assistant Superintendent for Business, Purchasing Agent and Department Supervisors, if applicable. During the bid commencement process, the Purchasing Agent documents the bid results to present to the Board of Education.
6. Responses and the applicable documentation supporting the vendor’s suitability for the District’s needs are reviewed and the bid is awarded to the lowest responsible dollar offeror. The District requires

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justification and documentation of any contract awarded to vendors other than the lowest responsible bidder.

7. The Purchasing Agent notifies the successful and unsuccessful offerors of the results.
8. The Senior Typist Clerk forwards includes the vendor award as an agenda item for Board of Education approval.

**Request for Proposals**

1. Request for Proposals (“RFPs”) are developed by the department in need of the service with help of the Purchasing Agent. RFPs are required every five (5) years for services exceeding \$100,000.
2. All responses are stamped with a date and time received by the District and maintained by the Purchasing Agent until opening.
3. RFPs are opened and reviewed by the Assistant Superintendent for Business, Purchasing Agent and Department Supervisors, if applicable.
4. RFPs are awarded based on the service required by the District. Contracts are prepared and are approved by the Board of Education.

**Quotations**

1. Quotations are required to be obtained on purchases of items that do not exceed the dollar limits requiring a bid. The following lists the dollar thresholds:
  - Expenditures for purchases of goods for a specific item and public work projects and services for a specific project/job below \$1,000 do not require written quotes.
  - Expenditures for purchases of goods for a specific item from \$5,001 to \$19,999 and public work projects and services for a specific project/job from \$1,000 to \$7,000 require three (3) verbal quotes.
  - Expenditures for purchases of goods for a specific item from \$1,000 to \$5,000 and public work projects and services for a specific project/job from \$7,001 to \$34,999 require three (3) written quotes.
2. Quotations from vendors are not required for instances such as sole source goods or public works, emergency procurement, and specialized services.
3. For instances in which a requisition does not contain the required number of quotes, the Purchasing Agent will contact the requestor to obtain the required additional quotes.

**Purchase Requisition**

1. A school secretary or requestor will enter a requisition in nVision for approval by their administrator.
2. After the administrator’s approval, the requisition is sent to the Purchasing Agent. The Purchasing Agent reviews the requisition to ensure the required quotes or contracts are obtained.



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3. If the requestor is purchasing goods or services from a new vendor, the Purchasing Agent enters the new vendor information into nVision. A copy of their W-9 must be sent before the new vendor can be added.

**Purchase Orders**

1. After the Purchasing Agent reviews and approves, she will convert the requisition to purchase order in nVision.
2. The system generates five (5) copies of the purchase order. There is a copy for the vendor, two (2) copies for requestor (receiving and for their records), a copy sent to the Accounts Payable Department, and a copy maintained by the Purchasing Agent.
3. The Purchasing Agent faxes/scans/emails/mails the vendor copy of the purchase order to the designated vendor.

**Employee Reimbursements**

1. The Accounts Payable Department reviews the reimbursement request for items such as proper approval, detailed itemized receipts and proof of purchase, or mileage calculation documentation.
  - If proper approvals or documentation is not provided, the request will be returned to the appropriate location and the requestor will be asked to provide the proper documentation.
  - If the reimbursement request is properly documented and approved it will be processed for payment.
2. The District has documented procedures that detail what is required in order to receive a reimbursement.

**Receiving**

1. The District does not utilize a central receiving location. Goods received by the District are delivered to the actual location that originated the purchase.
2. The requestor inspects the goods received and compares them to the receiving copy of the purchase order for accuracy.
3. If all goods are received and accurate, the requestor signs the purchase order and returns it to the Accounts Payable Department.
4. In the event that incorrect items are received, the requestor contacts the vendor to resolve discrepancy or request a new item.

**Accounts Payable**

1. When the invoices are received, the Accounts Payable Department reconcile the information listed on the invoice to the information listed on the Purchase Order.

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2. If a discrepancy is found, the Accounts Payable Department will contact the vendor to resolve any discrepancies in pricing, detail, or quantity.
3. Upon receipt of the signed receiving copy of the purchase order from the requisitioner, the Accounts Payable Department compiles the voucher packet for payment processing.
4. If an invoice is paid with a “Blanket Purchase Order,” a photocopy of the purchase order is forwarded with the invoice and receiving copy to the applicable department or Principal for proper signatures on both the invoice and receiving copy.
5. The Accounts Payable Department enters the vendor name, PO, invoice number and amount into an nVision warrant.
6. Once all invoices have been entered for payment, the warrant is closed and the Director for Business Services will sign the checks.
7. After the checks are printed, the Claims Auditor reviews the voucher packet for proper approval, proper rates/prices, existence of quotes, if required, exclusion of sales tax from invoice, and other relevant claims audit criteria.
8. The Claims Auditor utilizes a stamp indicating that the invoice and applicable supporting documentation have been audited and approved for processing. If the invoice and applicable supporting documentation are not approved for payment, the Claims Auditor requests additional information or support.
9. The blank check stock is maintained in a locked filing cabinet in the Business Office.
10. The Claims Auditor compares the number of checks on the warrant to the number of checks printed. The Claims Auditor signs off on the warrant report.
11. The Accounts Payable Department mails the checks.
12. The Claims Auditor issues a monthly claims audit report to the Board of Education.