

21st Century Community Learning Centers (21st CCLC)
Networking Conference Call
September 13, 2011

Notes

Welcome

Pat welcomed the networking conference call participants. Pat also welcomed April Terry, our new 21st CCLC auditor.

Notices/Updates/Reminders

- *Before- and After-School Summer Expansion Grant – Final Reports*
Pat reminded participants that any grantee that received a Before- and After-School Summer Expansion Grant must complete and submit their final expenditure reports no later than September 30, 2011 in the Michigan Department of Education Cash Management System.
- *High School Networking Conference Call*
Lorraine and Amanda are developing a survey monkey to collect data on the need to continue the high school networking conference call, as well as to obtain information on other networking opportunities that are needed and wanted.
- *Michigan After-school Collaborative Conference (MAC)
October 13-14, 2011 - Best Western Sterling Inn, Sterling Heights, MI*
The MAC Conference registration is now available on the Michigan AfterSchool Association's website at www.miafterschool.com. Conference rates, the keynote, and session information were discussed on the call.
- *Update Contact Information*
Participants were reminded to update their contact information in EZReports, MEGS+, and EEM if necessary. It was also shared with participants that a link to the federal PPICS site from the federal *You for Youth* website shows grantee contact information. This information is uploaded by Michigan State University, 21st CCLC statewide evaluator's annual report. Therefore, the contact information found on this site will be one year behind.
- *21st CCLC Cohort G*
It was shared with participants that MDE will begin to prepare for a Cohort G competition. The Request for Proposals (RFP) will be released in mid-February with a deadline in mid-March. A reader session will be conducted in April. This process will be very competitive. MDE shared that they will modify the RFP to create more clarity to the regulations and requirements.

Topic: 21st CCLC Financial Audit – How Do You Prepare?

April Terry introduced herself. She shared that she came from Tax Exempt Government Entities (TGE) with the Internal Revenue Services (IRS) and has knowledge about community based organizations. She shared her philosophy, which is to help direct programs on the right path if an audit finding is found. Her contact information is, terrya3@michigan.gov or 517-241-2344.

April prepared a few guiding questions to spark discussion on how programs prepare for financial audits:

1. *How long do you retain financial accounting records and what kind of records do you retain?*

Joe Trommeter from Clare-Gladwin Regional Educational Service District shared that their business office keeps records for seven years in both electronic and hard copies.

April stated that yes, records should be retained for seven to ten years. Documents that should be retained are: general ledger detail, trial balance, 990s, 1099s, account payables, etc.

A participant asked how long student attendance records need to be retained. MDE shared that they weren't sure but would check with our records retention office to obtain an answer.

2. *What is adequate separation of duties?*

April shared that duties within the department or organization should be separated so that one person does not perform all processing from the beginning to the end. Duties that should be segregated include:

- Authorization
- Custody of the assets
- Recording transactions

If an adequate segregation of duties does not exist, the following could occur:

- Misappropriation of assets
- Misstated financial statements
- Inaccurate financial documentation (i.e., errors or irregularities)
- Improper use of funds
- Modification of data could go undetected

A best practice would be to design a system of checks and balances to decrease the likelihood of errors and irregularities. The person who prepares documentation should not be the same person to authorize and execute the transaction (i.e., one person should not be able to accept cash, record deposits for banking, make the bank deposits, and reconcile the account).

3. *Do you document policies and procedures? If so or not, why?*

Written policies and procedures codify management's criteria for executing an organization's operations. Developing and documenting policies and procedures is the responsibility of management; thus, they should document business processes, personnel responsibilities, departmental operations, and promote uniformity in executing and recording transactions. Thorough policies and procedures serve as effective training tools for employees.

If written policies and procedures do not exist, are inaccurate, incomplete, or simply not current, the following could result:

- Inaccurate and unreliable financial records due to inappropriate recording of transactions
- Inconsistent practices among employees and/or department
- Processing errors due to a lack of knowledge
- Inability to enforce employee accountability

Best Practices

- Document all significant business practices, processes, and policies.
- Make the policies and procedures available to all personnel.
- Ensure they are accurate, complete, and current at all times.
- Revise policies and procedures for changes in business processes and policies. This is particularly important when new systems are developed and implemented or other organizational changes occur.
- Communicate significant changes to all affected personnel immediately to ensure they are aware of any revisions to their daily duties and responsibilities.
- In the event that there are changes in personnel (i.e., new employees are hired, promotions granted, etc.), documented policies and procedures will facilitate training and provide guidelines for the respective positions.
- Policies and procedures are only effective if people are aware and understand them.

Next Call

The next conference call will be held on October 11, 2011 at 10:00 a.m.