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PRESENTS

LESSON PLAN

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CERINI
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**EXTRACLASSROOM: BEST PRACTICES | WORKER'S COMPENSATION
LIFE AFTER SCHOOL | UNIFORM GRANT GUIDANCE**

...AND MORE!

BRINGING A UNIQUE UNDERSTANDING OF KEY ISSUES FACING PUBLIC SCHOOL DISTRICTS

FROM THE EDITOR - SHARI DIAMOND, CIA

Winter is over! Game of Thrones is in its final season. Spring is here and the school year is coming to an end. Soon, the district budgets will be finalized and voted on, and it will be time to celebrate the lovely spring weather by enjoying what the outdoors has to offer, whether it be playing sports, going for a hike, doing some garden work, barbecuing, or just relaxing and reading a good book.

Speaking of books, our firm is very proud to announce our new partnership with **The Book Fairies**, a not-for-profit organization that collects gently used books and distributes them to people in need throughout metropolitan New York. The collaboration is an effort to improve literacy, which in turn should break the cycle of poverty for many children in lower socio-economic areas. For every chargeable hour that any accountant/advisor at Cerini & Associates performs, we will work with Book Fairies to cover the cost to distribute a book to a child that doesn't have access to books. The Book Fairies has redistributed and donated over 1 million books to local high-need schools, shelters, soup kitchens, correctional facilities and even underdeveloped countries in Africa. In the middle of March, I personally got to participate in one of their book fairs at an elementary school in the Wyandanch School District, helping students select 2 books each from a huge selection provided by The Book Fairies. The students were absolutely thrilled, and many could not wait to read their books. And as a bonus, I had an opportunity to read a book ("*7 Ate 9*" by Tara Lazar – *I know, so totally appropriate for an accountant*) to two of the classes! It was truly the highlight of my day and I thank The Book Fairies for all that they do to keep the love of learning and reading alive.

In the auditing and accounting world, much of the reading material we have to digest is well, quite frankly boring. State regulations or changes in accounting standards just don't make it to the summer reading list. We do, however, hope that you enjoy reading the 20th edition of The Lesson Plan, with articles about non-college options for students after high school, reducing workers compensation costs, updates on extraclassroom activity funds as well as the uniform grant guidance (*a fan favorite*), and the revision to New York's election laws.

As internal auditors and claims auditors for over 30 districts, we truly want to be a valuable resource to the districts we serve. We strive to provide useful information to all of our readers, regardless if they are our clients. Should you have any questions or want to bounce any ideas off of us, please feel free to contact our office.

Best of luck with the upcoming school budget vote. Summer is coming!

Our goal is to connect with you and help you meet your goals.

Shari Diamond

COVER IMAGE PROVIDED BY
THE BOOK FAIRIES

The Book Fairies 

The Book Fairies is a 501(c)(3) not-for-profit organization that collects reading materials for people in need throughout metropolitan New York. The reading materials foster literacy and academic success, provide a respite from personal struggles, and nurture a love of reading across age groups.

WWW.THEBOOKFAIRIES.ORG

EXTRACLASSROOM: BEST PRACTICES (WHAT THE COMPTROLLER'S OFFICE IS SAYING)

Extraclassroom Activity Funds (ECAF) are operated by and for the students of a school district. They are important funds that not only help pay for various opportunities for students, but also provided learning experiences, teaching them the importance of morale for their school education. Extra-classroom activity funds are defined by SED in the Regulations of the Commissioner of Education as "*funds raised other than by taxation or through charges of a board of education (Board), for, by or in the name of a school, student body or any subdivision thereof.*" These funds can be raised and collected by the students through admissions, membership dues, sales, campaigns, and donations, and are considered used for appropriate expenses if they abide by established regulations.

According to the Regulations of the Commissioner of Education, for all school districts that contain a population of less than one million students, whether it is a city school district or a union free school district, the board of education must create a set of rules and regulations for ECAF that need to be followed strictly. They should address the safeguarding, accounting, and auditing of all moneys received and derived from, as well as the conduct, operation, and maintenance of extraclassroom activities.

The New York State Office of the Comptroller (OSC) has recently been performing more audits of the extraclassroom activities fund at various school districts across the State. OSC audits were finding that although there was an adopted or implemented policy by the board, the district officials and the board were not ensuring that the policies and procedures were being reasonably followed. Some of the findings they noted included missing documentation to support cash collections, or the timeliness of the receipts could not be readily determined because of inadequate records maintained by the clubs or the Central Treasurer. The OSC also noted issues where disbursements did not contain the proper documentation to support the expenditure including missing invoices or lack of authorizing signatures by the club student treasurer.

The OSC has the following recommendations:

- ▶ The Board should not only adopt or implement their own policy, but district officials should ensure that the policy is being followed for extraclassroom activity funds especially regarding recordkeeping of the funds as well as cash receipts and disbursements.
- ▶ The Board should be receiving annual reports and should check for any issues or weaknesses and identify corrective action, if necessary.
- ▶ Student treasurers who oversee extraclassroom funds need to be provided with adequate oversight of the cash handling procedures and how to maintain appropriate records for the money that is being spent. Additionally, it is imperative that the district officials and the Board make sure that the faculty advisors, the central treasurer and the student

treasurers responsible for the funds know the proper procedures and policies for cash receipts and disbursements, and that all requirements are being strictly followed to maintain satisfactory and acceptable records.

Failing to establish and ensure compliance with ECAF policy and procedures could increase a district's risk of fraud or misuse in the spending of these funds.

In addition, school districts need to ensure that the vendors paid through ECAF are in compliance with IRS guidelines regarding the filing of form 1099. This can be done by:

- ▶ Maintaining a list of vendors paid through extraclassroom activities and a running total of amounts paid to each vendor with corresponding check number.
- ▶ Reviewing the vendor listing at the end of each calendar year to ensure all vendors paid \$600 or more were issued a Form 1099.

A best practice is to obtain a W-9 form from each vendor before the first payment is made. Form 1099 must be sent to each vendor by January 31st of the following calendar year.

The New York State Education Department released an updated version of The Safeguarding, Accounting, and Auditing of Extra Classroom Activity Funds pamphlet dated January 2019. The document contains many sample forms. Key Updates include:

- ▶ Pages 11-14 – Sales tax
- ▶ Page 22 – Charter Schools
- ▶ Page 23 – Internal Control
- ▶ Page 37 – Admissions Form
- ▶ Page 41 – Tax Exempt Status

The pamphlet can be found at: www.bit.ly/2WeyOPS

By reviewing the prior-year ECAF independent audit reports, districts can see how ECAF is being handled. As internal auditors, we are here to help with any corrective actions that may need to be implemented.

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AROUND THE NATION: ADDRESSING MEALS FOR HUNGRY KIDS ON WEEKENDS (INDIANA)

On Long Island, it is hard to imagine any student going home on Friday after school and not having anything to eat until returning to school the following Monday. But unfortunately, that is the case for many here on Long Island as well as around the Nation. An elementary school in Elkhart, Indiana, implemented a pilot program whereby 20 students were sent home with an insulated backpack stuffed with 8 frozen meals to provide food during the weekend. The goal is to expand it all 21 schools in the district as the district has about 64% of their 12,000 students who are eligible for free and reduced price lunch.

The district partnered with a local nonprofit, Cultivate, which is a local “*food rescue*” group near the school in South Bend. We often see massive quantities of food prepared at events and know that the leftovers will go in the trash. This nonprofit saw a way to help others with the leftover food. The meals contain a vegetable, a protein, and a starch. The group goes to the kitchens in the district’s school 3 times a week to collect food that was prepared but not served, preventing the food from ending up in the trash. Cultivate also gets food from local caterers, hospitals, casinos, and other businesses as well as the well-known college, The University of Notre Dame. The organization uses the food collected from the schools combined with the food from others to create meals for those in need. One of the catering companies they partner with saved 50,000 pounds of food (*that’s 25 tons!*) from going to waste in seven months.

The district started small as they wanted to make sure they had enough food. Cultivate has only been operating as a not-for-profit for a short period of time (*this July will mark their second year*), but has already had a tremendous impact. Cultivate’s partnership with so many companies is enabling them to run a pilot in 2 other neighboring schools, and the news is spreading fast. Across the nation, others are looking to see how they can start their own program. Instead of food going into the landfill, hungry students are getting food to help them through the weekend and come back to school ready to learn.

Where can your students get meals over the summer on Long Island?

Check out the child nutrition section of NYSED’s website at www.cn.nysed.gov

NASSAU:

▶ *Hempstead UFSD*

▶ *Academy Charter School*

SUFFOLK:

▶ *SUNY College of Tech Farmingdale Eop*

▶ *Brentwood UFSD*

▶ *North Shore Holiday House Inc.*

▶ *Long Island Cares, Inc.*

Also check out Island Harvest at www.islandharvest.org/programs-services/the-center-for-targeted-populations

Schools work best when they work with their community.

SHARI DIAMOND, CIA
PARTNER

STUDENT TEACHING TIME EXTENDED

School districts who work with colleges to provide student teaching opportunities should note that the Board of Regents recently expanded the amount of time student teachers will be required to spend training. Currently, college students on track to become teachers are required to spend 40 days as a student teacher. The change, which will take effect for students entering college education programs in the fall of 2020, will now be required to spend 70 days or the equivalent of an entire semester. The Regents, after assessing the condition of the teacher-training programs for over a decade, noted many complaints from college students who stated that they were not getting enough experience or guidance. The extended student teaching time is happening nationwide, and New Jersey adopted similar training requirements in September. The goal is to improve the quality of the student-teacher experience and provide college students with adequate exposure to what teaching is really all about.

MEGHAN GEE
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LIFE AFTER SCHOOL

The pomp and circumstance of high school graduation is a journey that’s mapped out for most students when they enter elementary school. The path incorporates all the classes needed to meet graduation requirements. *But what happens at the end of that road?* For many students, the next step is to continue their education by attending college, often a track that is encouraged and expected, but for others, that road while paved with good intentions, does not enable them to reach their final destination.

Having an education is critical, but how we define an education is as well. For many professions, such as a doctor, lawyer, or a teacher, going on to college and graduate school are required. But we are now living in a world where college is financially out of reach for some. So, *what is a high school graduate to do?* Thankfully there are other options which continue to provide education with a hands-on approach: an apprenticeship.

Apprenticeships have been around for decades. An apprenticeship is a time-honored approach to training skilled workers through a combination of on-the-job and classroom training. Currently, in New York State, there are more than 160 different programs across dozens of industries including; manufacturing, automotive, health care, food and beverage, computer-based, social services, and the most common and sought after, construction for both commercial and residential.

As a New York State registered apprentice, you “*earn-while-you-learn*” – you are a full-time employee, your wages usually start at a percentage of the experienced, skilled worker (*journeyman worker*) wage rate with set increases until training is completed. Apprenticeship programs may also offer fringe benefits, like paid vacations and holidays, and health insurance and retirement plans. The programs can last anywhere from one to five years, depending on the trade and based on the total number of hours required to be completed while working.

As an apprentice of a registered apprenticeship program, you also must complete related classroom instruction. Classes cover the theory, principles, and technical knowledge you need to do the job at hand. The classes are usually taken outside working hours and include a minimum of 144 hours per year. Related instruction may be offered through adult education courses such as the ones offered by BOCES, through community college, a training school or union facilities. There are now some classes even offered online.

On Long Island alone there are numerous options to choose from based on your needs, and in most cases, the employer sponsoring the program covers the cost of classes for the apprentice. For some programs, taking these classes may also earn you an associate degree. Certificates of completion in these courses are very similar to a college transcript. They are nationally recognized and don’t expire. *For example*, if you have completed two years of classes in New York and decide to move to Florida, you will likely receive credit for those two years, making yourself more marketable to potential employers.

Qualifying to become an apprentice varies by program; however, all New York State registered apprenticeship programs have a minimum age, require a high school diploma or equivalent certificate (*GED or TASC*), and/or demand the completion of some mathematics courses. Some construction and manufacturing trades require considerable physical stamina or some related work experience.

So how does this all play out in the real world? Let’s take ‘**Steve**’ as an example. Steve graduated from CUNY Queens College in 2014 with a BA in English. Steve took a job as a waiter at a restaurant chain while he looked for full-time work. Unsuccessful after three years of trying, he was offered an opportunity to be a summer helper for a residential electrical contractor. Steve enjoyed that experience so much that when September came, he signed up at the Eastern Suffolk BOCES for night adult electrical classes. Once Steve is placed, he will begin earning his regular base wage and will also have the potential to work on Prevailing Wage projects. Prevailing Wage is an hourly wage set by New York State. The State requires employers to compensate any worker on a job site at a higher hourly wage including benefits. Prevailing Wage for a registered electrical apprentice starts at \$17.50/hour plus an additional \$5 in benefits per hour, but after the five-year program is completed that newly appointed journeyman would be making an hourly salary of \$43.70 along with \$23.60 in benefits.

When finding traditional paths after graduation are not what is best suited for a student, an apprenticeship program provides individuals with options to continue learning a trade and earn a good living. An apprenticeship program provides more than just an “*alternative*” to college; it provides young, determined people with a way to fulfill their dreams and build solid foundations.

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NEW YORK ELECTION LAW UPDATE

The previous election law entitled an employee to take time off to vote only if he or she did not have four consecutive hours in which to vote between the opening of the polls and the beginning of the employee's work shift or the end of the employee's work shift and the close of the polls. If the employee was prevented from getting to the polls due to work schedule constraints, the law limited an employer's pay obligation to two hours. The New York Election Law was recently revised and now provides employees in the State up to 3 hours of paid time off.

The first date this revision would impact is the June 25th primary election. Per the National Law Review, effective immediately, the New York Election Law § 3-110 reads as follows:

A registered voter may, without loss of pay for up to three hours, take off so much working time as will enable him or her to vote at any election ...

Employees though, are not provided with 3 hours of paid time-off automatically when an election is occurring. Under the new law, all employees may request up to three hours of paid time off to vote, regardless of their work schedules, as long as the request is made at least two working days prior to the election. Since most elections occur on a Tuesday, the request would have to be in the week prior. Employers can specify that any requested time be taken at the beginning or the end of shift. And since most polls on Long Island open at 6 am and close at 9 pm, most employees of a school district should not be prevented from being able to vote, though there are bound to be exceptions. To ensure communication and compliance with the revisions, the school district should post a notice of the law around two weeks before the polls open. More clarification to come, so stay tuned.

TOM WEYER, CPA
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REDUCING THE COST OF WORKERS' COMPENSATION CLAIMS

Mention the words "workers comp" in the presence of a school district business official or a school benefits administrator and you are sure to get an eye roll and big grunt of disgust. It is a thorn on the side of many districts that have been dealing with increasing claims costs, maintaining records, and of course replacing the work that was performed by the employee who is now out. Obviously, schools should strive to reduce the likelihood that an event can occur leading to a workers comp claim by implementing safety protocols that are continually assessed and communicated to all employees. Another strategy is to offer accident/disability insurance. *How does that work?*

A survey conducted by Lieberman Research Worldwide in 2014 noted that those organizations who offered accident/disability insurance reported declines in workers comp claims. The online survey asked 600 employers from small, medium and large companies in the U.S. if they provided accident/disability insurance and if so, if they noted any decline in workers' comp claims. For the purposes of the survey, a small employer was defined as one with 3-99 employees. Medium employers had 100-499 employees, while large employers had 500 or more. The results: 55% of large companies and 34% of small-medium companies experienced a decline in the worker's comp claims. In

addition, the survey also inquired about the significance of the declines with having both voluntary accident and disability insurance and resulted in similar declines in the worker's comp claims. The findings were similar for companies that provide access to voluntary disability insurance: *nearly half (47 percent) of large employers reported overall decreases in workers' compensation claims.* In addition, 43 percent of small companies and 33 percent of medium companies reported declines.

What do these findings mean for schools? The results demonstrate that by making a voluntary accident and disability insurance available to employees, there may be an opportunity to see a decrease in the frequency and expense of workers' compensation claims. That would mean lower costs and fewer headaches to schools who are already dealing with tough budgets and the tax cap.

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UNIFORM GRANT GUIDANCE

We have been made aware that the NYS Education Department has been reviewing school districts' procedures surrounding the use of funds granted under the **Individuals with Disabilities Education Act (IDEA)**. Part of their review is ensuring district policies comply with **Uniform Guidance (UG)** with regard to the procurement process. As such, a district's purchasing policies should:

1. Incorporate the same policies and procedures used for procurements made with non-Federal funds for its procurements made with federal funds.
2. Maintain records detailing the history of procurement. The records maintained should include the rationale for the following, but not limited to:
 - ▶ Procurement method,
 - ▶ Procurement type,
 - ▶ Contractor selection, and
 - ▶ Basis for the price of the contract.
3. Maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
4. Maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.
Note: *There should be specific wording stating that employees cannot participate in the selection, award, or administration of contract if there is a real or apparent conflict of interest.*
5. Create procurement procedures that help to avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase.
Tip: *Include these standards in the purchasing policies and procedures.*
6. Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to matters such as contractor integrity, compliance with public policy, a record of past performance, and financial and technical resources.
7. Use time and material contracts, only after a determination that no other contract is suitable and ensure the contract includes a ceiling price that the contractor exceeds at its own risk.

8. Conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.
9. Have written procedures for procurement transactions that ensure all solicitations:
 - ▶ Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.
 - ▶ Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
10. Ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.
11. Use one of the following methods of procurement:
 - ▶ Micro-purchases;
 - ▶ Small purchase procedures;
 - ▶ Sealed bids;
 - ▶ Competitive proposals; and
 - ▶ Noncompetitive proposals.
12. Have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
13. Take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
14. Include in all contracts made by the District the applicable provisions contained in Appendix II of the Uniform Grant Guidance -- Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.
15. Perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold, including contract modifications.
16. Negotiate profit as a separate element of the price for each contract in which there is not price competition and, in all cases, where an analysis is performed.
17. Comply with the non-procurement debarment and suspension standards which prohibit awarding contracts to parties listed on the government-wide exclusions list in the **System for Award Management (SAM)**.

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