

South Colonie Central School District

Allocation of Personnel Costs

APRIL 2020



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

Contents

- Report Highlights 1**

- Personnel Cost Identification and Allocation 2**
 - How Should District Officials Ensure Personnel Costs Are
Accurately Allocated Between District and State Grant Activities? . . . 2

 - Officials Accurately Allocated Personnel Costs Between District
and State Grant Activities 2

 - Conclusion 3

- Appendix A – Response From District Officials 4**

- Appendix B – Audit Methodology and Standards 5**

- Appendix C – Resources and Services 6**

Report Highlights

South Colonie Central School District

Audit Objective

Determine if District officials accurately allocated personnel costs between District and State grant activities.

Audit Results

We reviewed the salary and benefit payments for the 14 District employees in the teacher center tracing District-related personnel costs to collective bargaining agreements (CBAs) and teacher center personnel costs to supporting teacher center activity records, accrual lists, time requests, substitute lists and the District's policy. Except for minor discrepancies, which we discussed with District officials, we found teacher center personnel costs of \$434,790 were supported, properly allocated and accurately reported as teacher center costs.

We reviewed the salary and benefit payments for the eight individuals working in the Pre-K program by tracing personnel costs to CBAs and payroll records. We found total personnel costs of \$745,262, of which \$358,384 was funded using general fund money, were adequately supported and properly allocated.

Personnel costs were properly allocated between District and State grant activities. There were no recommendations as a result of this audit.

Background

The South Colonie Central School District (District) is located in the Town of Colonie in Albany County and is governed by a nine member Board of Education (Board) which is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the District's chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management.

The District receives annual State grant funding for the Universal Pre-K program and two grants for Teacher Center services. The District's Treasurer/Business Office Manager (Business Office Manager) oversees the financial operations of the grant programs.

Quick Facts

Pre-K Personnel Costs in 2018-19	\$745,262
Pre-K Enrollment in 2018-19	144
Teacher Center Personnel Costs in 2018-19	\$434,790
Professional Development Hours Provided through the Teacher Center in 2018-19	2,284

Audit Period

July 1, 2018 – October 31, 2019

Personnel Cost Identification and Allocation

The District manages three State grant programs in two categories which are staffed either wholly or partially with District employees. The Greater Capital Region Teacher Center (teacher center) provides professional development to teachers in 87 school districts over a 13-county area and is funded through State grants and program fees charged to participants. A second State grant provides additional funding which pays for statewide administrative services to teacher centers throughout the State. The District's teacher center is staffed with 14 District employees and private contractors.¹ Teacher center personnel costs for the 2018-19 school year were \$434,790.

The Universal Pre-K program (Pre-K) provides developmentally appropriate activities to help four-year-old children prepare for kindergarten. The District provides the Pre-K program in two elementary schools, serving 144 students in 2018-19 in four classrooms. The Pre-K program is staffed by four teachers and four teaching assistants and is funded by State grant proceeds and taxes levied by the District. The personnel costs for Pre-K in 2018-19 totaled \$745,262.

How Should District Officials Ensure Personnel Costs Are Accurately Allocated Between District and State Grant Activities?

Grant-related personnel costs and funding sources should be identified and allocated during the budget process, communicated to and approved by the Board, and properly accounted for and monitored through the school year. The District should have adequate policies and procedures in place to identify and allocate personnel costs associated with State grants. Adequate records must be maintained to show employees' time spent on grant-related activities.² By maintaining adequate time records, the District ensures employees are not compensated by two funding sources for the same time worked.

Officials Accurately Allocated Personnel Costs Between District and State Grant Activities

The Assistant Superintendent for Management Services and Strategic Planning provides the Board a grant summary showing the expected funding from all federal and State grants. Grant-related personnel costs are estimated using the applicable collective bargaining agreement (CBA) and the District's policy for teacher center activities. Board discussions during budget preparation address the need for the use of general fund money to cover fringe benefits and a portion of the salary costs for the Pre-K program. The Business Office Manager monitors

¹There are approximately 80 independent contractors paid for services rendered to the teacher center; they are paid through the claims process (not through payroll) and are outside the scope of our audit.

² In accordance with the New York State Education Department's 'A Guide to Grants Administration,' page 28: "For state-funded grants, time and effort records must be maintained for those personnel whose salaries are prorated between or among different funding sources..."

grant-funded programs throughout the year using a spreadsheet which includes: expenditures for grant personnel salaries and benefits, grant revenue and, if applicable, District funds required to cover program expenditures not covered by the grants.

Individuals performing teacher center related activities are required to provide an activity record to the Teacher Center Director (Director). The Director tracks each employee's total time spent performing grant activities on time sheets for internal management purposes and submits this documentation to the Business Office for payroll processing. We identified 14 District employees in the teacher center who were paid through the District's payroll system. We reviewed the salary and benefit payments for the 14 individuals. We traced District-related personnel costs to CBAs and teacher center personnel costs to supporting teacher center activity records, accrual lists, time requests, substitute lists and the District's policy. Except for minor discrepancies, which we discussed with District officials, we found teacher center personnel costs of \$434,790 were supported, properly allocated and accurately reported as teacher center costs.

The Pre-K program is staffed by four teachers and four teacher assistants that are paid according to the applicable District CBAs and the staff uses the District's timekeeping system. We reviewed the salary and benefit payments for these individuals, tracing personnel costs to CBAs and payroll records. We found total personnel costs of \$745,262, of which \$358,384 was funded using general fund money, were adequately supported and properly allocated.

Conclusion

District officials ensured that personnel costs were properly allocated between District and State grant activities.

Appendix A: Response From District Officials



District Office

Dr. David J. Perry
Superintendent of Schools

March 10, 2020

██████████ Chief Examiner
Office of the State Comptroller
Glens Falls Regional Office
One Broad Street Plaza
Glens Falls, NY 12801

Dear ██████████

Please accept this letter as notification that the South Colonie Central School District has received and reviewed the draft Report of Examination 2020M-10.

Auditors from the Office of the State Comptroller examined the financial affairs of the District covering the time period July 1, 2018 through October 31, 2019. After completing the preliminary review, auditors selected and examined the allocation of personnel costs between District and State grant activities. The Office of the State Comptroller auditors determined that personnel costs were adequately supported and properly allocated.

The financial audit resulted in no written findings or recommendations and no corrective action is required at this time.

The District takes seriously its role as the steward of local taxpayer dollars, State and Federal funds and shall continue to maintain, monitor and safeguard its assets. As a public school district, our primary goal is to provide the best possible education for our students in a safe learning environment while protecting the financial assets of the District.

On behalf of the South Colonie Central School District Board of Education, Administration and Business Office staff, we commend your field auditors for the professional and courteous manner in which they conducted the audit. As the District seeks to maximize the use of public resources, we extend our appreciation for the technical guidance and support provided to the District.

Sincerely,

David J. Perry
Superintendent of Schools

Sherri L.D. Fisher
Assistant Superintendent for
Management Services and Strategic Planning

102 Loralee Drive
Albany, New York 12205-2223
(518) 869-3576 • Fax (518) 869-6481
www.southcolonieschools.org

Appendix B: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District officials and employees performing administrative duties related to the teacher center and Pre-K grant areas.
- We reviewed District Board minutes, policies, procedures, CBAs, employment contracts and the employee handbook.
- We reviewed payroll records, time and attendance records and substitute lists for the 14 District employees involved with the teacher center grants.
- We reviewed payroll records and supporting documentation for the eight District employees performing duties associated with the Pre-K grant.
- We reviewed grant applications, budgets and cost-reporting documentation, including budget-to-actual reports.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/localgov/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/localgov/costsavings/index.htm

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/localgov/planbudget/index.htm

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/localgov/pubs/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/localgov/finreporting/index.htm

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.state.ny.us/localgov/researchpubs/index.htm

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/localgov/academy/index.htm

Contact

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.ny.gov

www.osc.state.ny.us/localgov/index.htm

Local Government and School Accountability Help Line: (866) 321-8503

GLENS FALLS REGIONAL OFFICE – Gary G. Gifford, Chief Examiner

One Broad Street Plaza • Glens Falls, New York 12801-4396

Tel (518) 793-0057 • Fax (518) 793-5797 • Email: Muni-GlensFalls@osc.ny.gov

Serving: Albany, Clinton, Essex, Franklin, Fulton, Hamilton, Montgomery, Rensselaer, Saratoga, Schenectady, Warren, Washington counties



Like us on Facebook at facebook.com/nyscomptroller

Follow us on Twitter [@nyscomptroller](https://twitter.com/nyscomptroller)