

## **Audit and Finance Committee Agenda Item**

**Board Meeting Date:** March 7, 2013

**Title of Item:** Performance Audits

### **Background and Analysis:**

The District contracts with an independent certified public accounting firm, Vavrinek, Trine, Day & Co., LLP, to perform operational reviews, also known as performance audits, in areas previously identified jointly by management and the Audit & Finance Committee.

This year, the District contracted for the following performance audits:

1. Foothill College Facilities Rental
2. Foothill College Kinesiology & Athletics Gate Receipts and Concession Operations

The Performance Audits are included for your review.

**Recommendation:** For Information Only

Submitted by:	Kevin McElroy, Vice Chancellor of Business Services
Additional contact names:	Hector Quinonez, Controller
Is backup provided?	Yes



VAVRINEK, TRINE, DAY  
& COMPANY, LLP  
*Certified Public Accountants*

VALUE THE DIFFERENCE

Audit and Finance Committee of  
Foothill-DeAnza Community College District  
Los Altos Hills, California

We have conducted a Performance Audit of the Foothill College facility rentals as described in the scope below in accordance with our Engagement Letter of April 17, 2008 with Foothill-De Anza Community College District (District).

We conducted this performance audit in accordance with 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Objectives, Professional Standards, Criteria, Scope, and Methodology of the Performance audit are described below:

#### **Objective**

The purpose of the engagement is to evaluate the procedures for Foothill College facility rentals.

#### **Professional Standards**

This Performance Audit was performed in accordance with Governmental Auditing procedures for Performance Audits (Yellow Book) issued by the Comptroller of the United States.

#### **Criteria**

The adequacy of the procedures was determined in accordance with the Committee on Sponsoring Organizations of the Treadway Commission (COSO) report Enterprise Risk Management – Integrated Approach. The criteria for compliance were the District’s written procedures and additional documented procedure based on interviews with management and appropriate staff.

#### **Scope**

The engagement was limited to the observation and inquiry of procedures and personnel at the District involved with the rental of Foothill College facilities, other than the Fine Arts facilities, as of December 31, 2012.

#### **Methodology**

Our methodology was designed to obtain sufficient, appropriate and relevant evidence to the extent necessary to address objectives of the engagement stated above, reduce the audit risk to an acceptable level, and provide reasonable assurance that our findings and conclusions are properly supported.

## **Procedures Performed**

The following procedures were performed during the engagement:

- We requested written procedures from Foothill College for procedures over facility rentals.
- We reviewed the written procedures and conducted interviews of employees involved with facility rentals.
- We determined the status of the prior findings and recommendations as documented in our audit report dated January 20, 2010.
- We evaluated the written procedures based on COSO criteria.

## **Results of Procedures**

A *control deficiency* in a district's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a program on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a program will not be prevented or detected by the District's internal control.

As indicated above, we have not performed tests of the operation of the system of internal controls therefore our limited procedures would not necessarily disclose all matters in internal controls that might be control deficiencies and, accordingly would not necessarily disclose all control deficiencies that would also be considered to be a significant or material weakness.

For purpose of this report we are defining a control deficiency in the design of internal controls as material if more than inconsequential in relation to the separate gate receipts and concession activities identified in our previous report of January 2010.

## **Update to Internal Control Findings and Recommendations**

As indicated under Criteria above, we evaluated the District's system of internal controls under COSO. This requires evaluation of five interrelated components which define the objectives of internal control which are: 1) Control Environment, 2) Risk Assessment, 3) Control Activities, 4) Information and Communication, and 5) Monitoring.

In the broadest senses, internal controls include plans, policies, methods, and procedures adopted by management to meet missions, goals and objectives. Internal controls include the processes for planning, organizing, directing, and controlling program operations. It includes the systems for measuring, reporting, and monitoring performance. Internal control serves as a defense in safeguarding assets and in preventing and detecting error, fraud, violations of laws, regulations, and provisions of contracts and grant agreements or abuse. Safeguarding of assets is included in these objectives. We applied these criteria to each of the areas under the scope of this engagement.

**Documentation of Rental Rates Updates and Approvals.** In preparing our January 20, 2010 report, we received written procedures for facility rentals. The procedures included the facility rental fees. However, at that time we discovered that rental rates had not been reviewed for over three years. At that time, we recommended that the rates be reviewed and revised annually and approved by the Board or designee to ensure the process for determining and approving fees conforms to the Civic Center Act.

**Current Status:** In verifying the implementation of those procedures, we found the District had reviewed and revised the rental rates and had provided for different rates for nonprofit and for profit entities. Additionally, we noted that the District board approved the revised rates in June, 2012.

#### **Facility Rentals:**

**Segregation of Duties.** In our report dated January 20, 2010, it was noted that the Facilities Rental Coordinator had many conflicting duties and many duties weren't adequately monitored.

**Current Status:** In reviewing procedures implemented since January 20, 2010, interviewing staff, and reviewing documentation of receipt process, we noted that the monitoring of the Facilities Coordinator duties has improved. The Facilities Coordinator no longer collects the rental receipts. The collection duties have been shifted to the Athletic Department Assistant, who prepares deposits and transmits them to the District Business Office. Additionally, the Contract Control Log, Contracts and Master Calendar are all being reviewed by the Dean of Athletics, thus providing improved segregation of duties.

**Contract verification procedures.** In our report dated January 20, 2010, we noted that contracts were sequentially numbered (not pre-numbered) and were logged by the Facility Coordinator. At that time we noted there was no independent verification by someone other than the Coordinator of contract sequences, that no log was used as a control document to determine that all contracts had been listed and that appropriate fees had been charged, or that fees had been collected and deposited. Additionally we noted that if a security officer discovered an unauthorized event, he contacted the Facility Coordinator.

**Current Status:** In reviewing the contract verification process, we noted that the District is using an online application process and the online system assigns an application number that is used as the contract number and invoice number. Contract numbers are entered into a Master Calendar and only the Dean of Athletics, Division Assistant and Coordinator has edit access to the Master Calendar. We noted that the Master Calendar is available for read access to the maintenance and security departments. This increased accessibility allows others to review facility rental activities and question any unusual items noted. If an unauthorized event or other concern is noted by a security officer, the security officer will now contact the Dean of Athletics and College President.

**Charges for facility use.** In our report dated January 20, 2010, we noted that the Coordinator calculated the amount of charges for use of facilities. At that time, there was no independent verification of the amounts charged to establish rates or for clerical accuracy.

**Current Status:** In discussion with the Dean of Athletics, we noted that the College has established rates that are reviewed and approved annually. Additionally, the Dean of Athletics reviews all contracts and verifies the accuracy of the fees charged and her signature on the contract is indication of this review.

**Invoices.** In our report dated January 20, 2010, we noted that invoices were manually numbered and issued by the Coordinator.

**Current Status:** Invoices are still issued by the Coordinator, but the College is using an online application process and electronic pre-numbered contract/invoice system. The last four digits of an application number becomes the contract and invoice number. The Division Assistant now collects payments on invoices and compares the payments received to the invoice logged on the Facility Rental log.

**Cash Receipts.** In our report dated January 20, 2010, it was noted that the Coordinator prepared the invoices, mailed them to applicants along with the contracts, received payments, logged the payments, identified the applicable invoice and contract on the check and sent the checks to the Business Office for deposit. At the beginning of each week, the Division Dean/Athletic Director reviewed the contracts for events occurring during the upcoming week and ensured that all required fees had been received. However, there was no documentation that the review had taken place.

**Current Status:** Per inquiry and observation, we noted that the Coordinator now prepares the invoices off of an approved contract, a copy of which is available on their shared file, and documents all pertinent information about the contract and invoice into a Facility Rental Log. The Division Assistant receives the payments and prepares a deposit for transmittal to the Business Office. The Division Assistant compares the receipt to invoice and Facility Rental Log and updates the log accordingly. The Division Assistant uses an excel spreadsheet that is the same as the one used in the Business Services Accounts Receivable Department to record her deposits. The Division Assistant emails this spreadsheet to Accounts Receivable and then hand delivers the checks to the District Business Office for deposit. On a monthly basis, the Dean of Athletics will verify the information on the Facilities Rental Log and initial the log to indicate that it has been reviewed. The above changes in the workflow have improved the segregation of duties over the collections of facilities rents.

**Consistency of Rental Rates and Rental Procedures.** In our report dated January 20, 2010, it was noted that there were differences between facility rental rates and contract terms at Foothill and De Anza College for similar facilities. Additionally, it was noted that Foothill College charged the same rate to all outside organizations, regardless of whether the organization had non-profit status or not.

**Current Status:** VTD obtained Foothill College Facility Rental Policy and current rates approved June, 2012, which went into effect July 1, 2012. We noted that the rates are comparable to De Anza College for similar facilities, and that a different rates has been established for nonprofit organizations as per Education code 82542(a).

**Refund Requests.** In our report dated January 20, 2010, it was noted that if a refund was necessary, the Coordinator prepared a "Request for Check" form and obtained approval from the Division Dean/Athletic Director before sending the form to the Business Office for payment. Documentation verifying that the lessee paid the fees was attached to the request form, however, the documentation was internally generated by the Coordinator and did not represent proof that the fees were deposited and the checks cleared. A copy of the contract and documentation that the event was cancelled was not attached.

**Current Status:** Per inquiry and review of current policies and procedures it was noted that a refund request will include documentation that the event was cancelled on the event calendar, and that payment was received. The refund request must be authorized by the Dean of Athletics for the Business Service Department to process.

We have discussed comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing any additional procedures.

*Vavrinek, Trine, Day & Co LLP*

Vavrinek, Trine, Day and Co., LLP  
February 26, 2013



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& COMPANY, LLP  
*Certified Public Accountants*

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Audit and Finance Committee of  
Foothill-DeAnza Community College District  
Los Altos Hills, California

We have conducted a Performance Audit of Foothill College as described in the scope below in accordance with our Engagement Letter of December 16, 2009, with Foothill-De Anza Community College District (District).

We conducted this performance audit in accordance with 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Objectives, Scope and Criteria of the Performance audit are described below.

### **Objective**

The purpose of the engagement is to evaluate the procedures for gate receipts and concession operations at Foothill College.

### **Professional Standards**

This Performance Audit was performed in accordance with Governmental Auditing procedures for Performance Audits (Yellow Book) issued by the Comptroller of the United States.

### **Criteria**

The adequacy of the procedures was determined in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) report Enterprise Risk Management – Integrated Approach. The criteria for compliance were the District's written procedures and additional documented procedures based on interviews with management and appropriate staff.

### **Scope**

The engagement was limited to the observation and inquiry over collection of gate receipts at District football events and concession operations at District and high school football events as of December 31, 2012.

The engagement did not include procedures related to facility rental collections, Smithwick Theater, Fine Arts Facilities, the Planetarium, or parking lots. The engagement did not include the District Fiscal Office procedures for recording the deposits into the District financial system or procedures that may provide mitigation of internal control deficiencies in other District departments that provide support to events.

## **Methodology**

Our methodology was designed to obtain sufficient, appropriate and relevant evidence to the extent necessary to address objectives of the engagement stated above, reduce the audit risk to an acceptable level, and provide reasonable assurance that our findings and conclusions are properly supported.

## **Procedures Performed**

The following procedures were performed during the engagement:

- We requested written procedures from Foothill College for gate receipts and concession operations.
- We reviewed the written procedures and conducted interviews of employees involved with gate receipts and concession operations.
- We determined the status of the prior findings and recommendations as documented in our audit report dated January 20, 2010.
- We evaluated the written procedures based on COSO criteria.

## **Results of Procedures**

A *control deficiency* in a district's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a program on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a program will not be prevented or detected by the District's internal control.

As indicated above, we have not performed tests of the operation of the system of internal controls therefore our limited procedures would not necessarily disclose all matters in internal controls that might be control deficiencies and, accordingly would not necessarily disclose all control deficiencies that would also be considered to be a significant or material weakness.

For purpose of this report we are defining a control deficiency in the design of internal controls as material if more than inconsequential in relation to the separate gate receipts and concession activities.



## **Update to Internal Control Findings and Recommendations**

As indicated under Criteria above, we evaluated the District's system of internal controls under COSO. This requires evaluation of five interrelated components which define the objectives of internal control which are: 1) Control Environment, 2) Risk Assessment, 3) Control Activities, 4) Information and Communication, and 5) Monitoring.

In the broadest senses, internal controls include plans, policies, methods, and procedures adopted by management to meet missions, goals and objectives. Internal controls include the processes for planning, organizing, directing, and controlling program operations. It includes the systems for measuring, reporting, and monitoring performance. Internal control serves as a defense in safeguarding assets and in preventing and detecting error, fraud, violations of laws, regulations, and provisions of contracts and grant agreements or abuse. Safeguarding of assets is included in these objectives. We applied these criteria to each of the areas under the scope of this engagement.

The District Procedures for Concession Activities and Gate Receipts are attached as Schedules 1 and 2, respectively.

### **Documentation of Procedures**

As of January 20, 2010, it was noted that the gate receipt process and concession operations procedures were not in writing.

**Current Status:** In verifying implementation in October, 2011, we were provided a District copy of gate and concession operations procedures by the Interim Dean of Athletics. It was noted that the current procedures followed the recommendations made in January 20, 2010.

### **Concession Stand**

#### **Independent Reconciliation and Monitoring**

In our report dated January 20, 2010, it was noted that expenditures were made from cash collections and only the net amount of cash collected was deposited. This did not allow for an independent review or verification of expenditures or collections.

**Current Status:** In reviewing the concession stand policies and procedures we noted that the Football Coach now submits expenditure reimbursement requests for food and supplies purchased for the concession stand. Additionally, in observing the cash count process at the close of the concession stand it was noted that they expenditures were no longer being netted against cash collections. Additionally, part time employees or student workers were hired to run the concession and are paid separately from concession stand receipts.

#### **Safeguarding and Chain of Custody**

As of January 20, 2010, it was noted that concession stand receipts were not adequately safeguarded and no receipt was retained to document the amount of cash transferred at the end of each game. Additionally, net proceeds were held for the entire season in an unlocked cash box in the Football Coach's office.

**Current Status:** The concession stand now has two cash registers at each event. The cash registers provide a type of sales report indicating how much money should have been collected at the end of each event. The student worker signs this report at the close of the concession stand. The student worker, basketball coach, and Interim Athletic Director all count the cash and complete a cash count form that is signed by all three individuals and sealed in an envelope with the cash collections. The Interim Athletic Director is escorted by a campus police officer to a safe at the PE Administrative Offices and the envelopes are dropped in the slot of the safe. The funds in the safe are then reviewed and recounted the next business day and deposited into the Student Body Gate Account.

### **Compliance with Laws and Regulations**

As of January 20, 2010, it was noted that the concession stand is operated by two part-time assistant coaches during high school games and by a non-employee supervises the student staff during Foothill College games. All employees are paid from the proceeds of sales after each game.

**Current Status:** The concession stand is now operated by the Women's Basketball and all personnel operating the concession stand are employees of the District. Additionally, the personnel handling cash including the student workers are bonded. None of the staff operating the concession stands were observed being paid cash from the game proceeds at the end of their shift.

### **Gate Receipts**

#### **Chain of Custody**

As of January 20, 2010, it was noted that the Division Dean/Athletic Director picks up the gate receipts from the student staff at the end of each game, locks the cash box in an office drawer. The cash is counted the next day by the Division Dean/Athletic Director and Facilities Rental Coordinator and the cash count form is completed the following business day.

**Current Status:** The cash is counted by the Division Dean/Athletic Director and the Women's Basketball Coach when the gate sales end. The tickets are also counted at that time and reconciled to the cash receipts. A Cash Count form is completed and signed by those personnel counting the cash. The cash and Cash Count Form are placed in a sealed envelope and the Athletic Director/Division Dean is escorted by campus police to drop the collections in the slot in the safe at the PE Administrative Building.

We have discussed comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing any additional procedures.

*Vavrinek, Trine, Day & Co LLP*

Vavrinek, Trine, Day and Co., LLP  
February 26, 2013

## **FOOTHILL DE ANZA COMMUNITY COLLEGE DISTRICT**

### **ATHLETIC GATE STAND PROCEDURES**

#### **FOOTHILL CAMPUS**

#### **PERSONNEL:**

Division Dean/Athletic Director –

Administrative Assistant –

Student Workers

Facilities Rental Coordinator

#### **OVERVIEW:**

Gate receipts are collected for approximately six football games, ten men's basketball games, and ten women's basketball games. Gate receipts are also collected for women's volleyball if the team makes the state tournament and for additional football and basketball games if the team reaches the playoffs. The Division Dean/Athletic Director schedules student employees to collect gate receipts and maintains the change fund.

#### **CHANGE FUND:**

The Division Dean/Athletic Director maintains two \$300 change fund envelopes in the safe outside the Athletic Department Administrative Offices. Each envelope contains small bills; no coins are needed for change as all tickets are in even dollar amounts. Change envelopes are replenished the next business day following an event when the gate receipts are prepared for deposit. The change fund is kept from year to year.

**SCHEDULING:**

In early August each year six to seven students submit the necessary applications to become student employees. The students are given copies of the sports event schedules in advance of the season and sign up by date to work.

On the last working day of the month, students enter their timesheets in the Banner System and the Division Dean/Athletic Director approves them electronically.

**GATE RECEIPTS:**

Two or three students work the gate for each event. For smaller events, one student sells tickets; a second student collects the tickets at a separate point. Two students sell tickets for large events. Red, white and blue tickets are used for ticket sales of different denominations. Ticket colors, age groups and prices are posted at the point of ticket sales.

Prior to the event, the Division Dean/Athletic Director or the Administrative Assistant and the student(s) scheduled to sell tickets obtain the change fund from the safe together. They each count the change fund, enter denominations and total on the Cash Count Form and sign Form. Pre-numbered tickets are used and the first number on the roll of tickets is also noted on the Cash Count form. If two students sell tickets, a separate Cash Count Form is used for each. The change fund and the form are placed in a cash box to sell the tickets. The student(s) is/are escorted to the selling site by a District police officer, the Division Dean/Athletic Director, or the Administrative Assistant.

For football games, tickets are sold at a table(s) just outside the stadium entrance. The ticket prices are posted on the table(s). Another student collects the tickets at the gate. The ticket collector also has a stamp and stamps a person's hand if they wish to leave and come back. A police officer is at the gate area during ticket sales and generally stands behind the ticket seller(s).

For basketball and volleyball games, tickets are sold at a window in a small building adjacent to the basketball stadium. The ticket price is posted on the window. The student collecting tickets, stands at a table just inside the entrance to the basketball stadium. A police officer is in the area during ticket sales, but may go between the building where the tickets are sold and the stadium entrance.

Ticket sales end at half time. For football games, the cash box and unsold tickets are transported to the Snack Shack for counting. A District police officer, the Division Dean/Athletic Director or the Administrative Assistant escort the student(s) with the money and unused tickets. The student(s) selling tickets and the Division Dean/Athletic Director or the Administrative Assistant count the final cash together. Denominations and total cash are entered on the Cash Count Form, along with the number of the next unused ticket s. The form is signed by the student and the Director or Administrative Assistant.

The beginning change fund is subtracted from the total ending cash to determine cash received from sales. Total tickets sold are verified by subtracting the starting ticket number from the first unused

ticket at the end of the game. The number of tickets sold is multiplied by the selling price(s) to calculate total sales. This is compared to cash received from sales. Any variance must be noted and brought to the attention of the Division Dean/Athletic Director.

When the money is counted and sales verified, the money and the Cash Count Form are placed in an envelope and sealed. The Division Dean/Athletic Director or the Administrative Assistant and the student selling tickets place the envelope in the safe drop slot. The unused tickets are returned to the cabinet in the office of the Division Dean/Athletic Director.

For basketball and volleyball games, the cash and tickets are generally counted in the building from which the tickets are sold. They may be transported to the office of the Division Dean/Athletic Director for counting if the building is being used for another purpose at half time. All other procedures are as described for counting cash and tickets sales from football games.

#### **CASH COUNT AND DEPOSIT:**

The following business day, the Administrative Assistant obtains the envelope from the safe and prepares a deposit. The Administrative Assistant prepares a Gate Receipts Reconciliation Form, which includes the opening cash, ticket sales and closing cash. The beginning ticket number and the next unused ticket number are noted on the bottom of the form. The \$300 change fund is counted out and placed back in a change fund envelope and returned to the safe. The remainder is counted by denomination and taken to the bookstore to be deposited to the 151911 Facilities Rental Account. A Receipt is obtained from the cashier at the Bookstore for the deposit. The Cash Count Form, the Reconciliation Form, the used tickets collected and the deposit receipt are stapled together and filed in the appropriate gate receipt binder. A copy of the deposit receipt and reconciliation form is given to the Facilities Rental Coordinator.

The Facilities Rental Coordinator enters the deposit on the Cash Receipts Journal. He/she also enters the deposit into the spreadsheet for the Football or Volleyball Fundraising Activity as appropriate.

#### **STUDENT WORKER TIME ACCOUNTING:**

The Division Dean/Athletic Director makes note of the names of students selling and collecting tickets and the hours worked. Students enter their timesheets in the Banner system. The Director reviews and approves the timesheets.

#### **NOTES AND QUESTIONS:**

PE Department's Policies and Procedures contain control points, but do not cover all processes, in particular chain of custody. In addition, some of the control points differ from our observations.

Item 2 of the PE Department's 7 Point Improvement Plan states, "Two Foothill Faculty, or Classified Staff would be present to count all money." Item 5 of the 7 Point Improvement Plan states, At the conclusion of the event money and tickets will be counted, recorded and measured against each other by two foothill Employee's." The procedure that was described to me and that was followed at the event that I observed, was the cash change fund was counted by the Athletic Director and the student worker that sold tickets before the game. The cash box containing the change fund and the proceeds from ticket sales was counted again at the end of the game by the Athletic Director and the student worker. Documented procedures need to reflect what is actually happening.

Item 3 of 7 Point Improvement Plan states, "Part time employees or student workers would be hired. " Item 3 also states, "Two different student workers would handle transactions in separate areas." Are part time employees used for supervising. Concession stand procedures specified full-time Faculty or Classified Staff.

Item 1 of Gate Procedures states "The Athletic Director has \$300 cash advance in the safe." I was told for playoff games, tickets will be sold at two tables for football games and at two windows for basketball games. Is the \$300 change fund split between the two selling points or are there two \$300 change funds? Also, review of reconciliation forms indicates that the change fund changed from game to game.

Keys to the safe are not addressed in the Gate Policies and Procedures. The keys are locked in a cabinet in the Athletic Director's office. I was told only the Athletic Director and his Administrative Assistant, David, have access to the office. The Athletic Director said that he is available and obtains the money from the safe at the beginning of every game. However, in the future, he hopes to have other employees obtain the money from the safe. Procedures need to be established to address chain of custody if someone else obtains the cash before the game.

**Cash Count Form:** I was told that the cash count form is signed by two parties counting the cash before the game and after the game. The form contains designated space for only one set of signatures at the bottom of the form. Recommend that the form has spaces for signatures for counting the change fund at the before the game as well as for after game count.

Headers for count columns are "Cash" and "Deposit". This may be confusing. Recommend column 1 be "cash advance" and column 2 be "closing cash".

Procedures do not address Contract labor. Noted that Through November, non-student workers were paid in cash. Per the Athletic Director, they no longer pay employees in cash. They are in the process of obtaining documentation for 1099 for workers paid in cash. They are now obtaining independent contractor agreements and they will be paid through AP.

## **FOOTHILL DE ANZA COMMUNITY COLLEGE DISTRICT**

### **CONCESSION STAND PROCEDURES**

#### **FOOTHILL CAMPUS**

##### **PERSONNEL:**

Division Dean/Athletic Director –

Administrative Assistant –

Coaches –

5 to 6 Student Workers

Facilities Rental Coordinator

##### **OVERVIEW:**

The Division Dean/Athletic Director oversees the operation of the Snack Shack as a Foothill Football Fundraising event. The Snack Shack is located adjacent to the Football field and is operated during Foothill College and high school football games held on the Foothill Campus. There are five to six District football games and eight to ten high school football games a year. The high school games generate more sales than District games.

The Snack Shack sells soda, water, coffee, hot chocolate, cheese nachos, chips, candy, and hotdogs. In addition, hamburgers are sold at the high school games. Prices are posted on a board in the Snack Shack. All prices are in even dollars.

Two cash registers are used to record sales and hold the change funds and proceeds from the sales at the Snack Shack during football games.

In addition, chips and candy may be sold at men's and women's basketball games. The snacks are sold at a table in the corner of the gymnasium and only one cash register is used.

**CHANGE FUND:**

The Division Dean/Athletic Director maintains two \$300 change fund envelopes in the safe outside the Athletic Department Administrative Offices. Each envelope contains small bills; no coins are needed for change as all concession stand sales are in even dollar amounts. Change envelopes are replenished the next business day following an event when the concession stand receipts are prepared for deposit. The change fund is kept from year to year.

**MERCHANDISE PURCHASES:**

Prior to the first football game, the Head Football Coach, determines what items are needed and purchases startup supplies using personal funds. He purchases the items using his personal credit or debit card and stocks the Snack Shack. He also purchases supplies to replenish the Snack Shack as needed during the season.

After making purchases, the Head Football Coach gives the receipts to the Facilities Rental Coordinator. The Facilities Rental Coordinator prepares a DIRECT PAY REQUEST FORM to request reimbursement. The Head Football Coach is named as Payee on the Form. The Facilities Rental Coordinator signs the form and obtains approval from the Division Dean/Athletic Director. The Facilities Rental Coordinator sends the form and the receipt(s) to Accounts Payable for payment.

**SNACK SHACK OPERATION AND STAFFING:**

Five students work the Snack Shack during each football game; one for each register, one for drinks, one for chips and candy and one for hot dogs. An additional student may be added for high school games or if the District plays in finals due to higher volume of sales. A Foothill College faculty or classified staff employee supervises the student staff during the operation of the Snack Shack.

Prior to the event, the Division Dean/Athletic Director or the Administrative Assistant and the Foothill College faculty or classified staff employee scheduled to supervise the Snack Shack obtain the change fund from the safe together. They each count the two change funds, enter denominations and total on the Cash Count Forms and sign Forms.

The Snack Shack is closed at the end of the third quarter of the game. The student(s) working the cash register(s) and the District employee supervising the Snack Shack for the evening count the final cash together. Denominations and total cash are entered on the Cash Count Form, along with the register readings. A separate form is used for each register. Each form is signed by the student and the District employee.



The beginning change fund is subtracted from the total ending cash to determine cash received from sales. Total sales per the register are compared to cash received from sales. Any variance is noted on the form and must be brought to the attention of the Division Dean/Athletic Director.

After the money is counted and sales verified, the money and the Cash Count Form are placed in an envelope and sealed. A separate envelope is used for each register. The supervising employee and the student(s) drop the envelope(s) in the drop slot of the safe.

For basketball and volleyball games, the cash is counted in the building from which the tickets are sold. They may be transported to the office of the Division Dean/Athletic Director for counting if the building is being used for another purpose at half time. All other procedures are as described for counting cash and tickets sales from football games.

#### **CASH COUNT AND DEPOSIT:**

The following business day, the Administrative Assistant obtains the envelope from the safe and prepares a deposit. The Administrative Assistant prepares a Concession Stand Receipts Reconciliation Form, which includes the opening cash, register sales and closing cash. The calculated cash balance based on register sales is compared to the cash counted at the end of the event. If there is a variance, the over/short amount is noted at the bottom of the form. Each \$300 change fund is counted out and placed back in a change fund envelope and returned to the safe. The remainder is counted by denomination and taken to the bookstore to be deposited to the 151911 Facilities Rental Account. A Receipt is obtained from the cashier at the Bookstore for the deposit. The Cash Count Form, the Reconciliation Form, the register tapes and the deposit receipt are stapled together and filed in the appropriate concession stand receipt binder. A copy of the deposit receipt and reconciliation form is given to the Facilities Rental Coordinator.

The Facilities Rental Coordinator enters the deposit on the Cash Receipts Journal. He/she also enters the deposit into the spreadsheet for the Football or Volleyball Fundraising Activity as appropriate.

#### **TIME ACCOUNTING:**

The Foothill College faculty or classified staff employee enters his/her timesheet for the hours spent supervising the Snack Shack activities. He/she also makes a list of students that worked the event and the hours worked. He/she gives the list to the Division Dean/Athletic Director. Students enter their timesheets in the Banner system. The Director reviews and approves all timesheets.

PE Procedures are incomplete and contain inconsistencies.

Item 3 of 7 Point Improvement Plan states “Two sets of full time Foothill Faculty or Classified Staff would be present to count all money. “ I was told by the Division Dean/Athletic Director (and the procedures indicate) that there is only one supervisor in Snack Shack. Where does the 2<sup>nd</sup> full time Foothill Faculty or Classified Staff come from?

Item 5 of 7 Point Improvement Plan states “Part time employees or student workers would be hired.” What do the part time employees do? I was told only student workers run the registers and serve the food. The procedures state that only full time faculty or classified supervise the operations and count money.

Item 2 of Policies and Procedures states, “Football Coach brings receipts of food/supplies bought for snack shack and is reimbursed. Receipts are recorded in Football snack Shack Accounts. At this point Football coach’s involvement with Snack Shack ends. “ The procedures do not describe process for reimbursement or who needs to approve request for reimbursement.

Item 3 of Policies and Procedures states, “Athletic Director receives cash advance from Football Snack Shack account #4233. The advance is counted, recorded and signed for by the Athletic Director and another person. There are two lump sum start up money advances, one for Snack Register A and one for Snack Register B.” The procedures do not state if the advance is obtained before each game, once a year and if the change fund will be maintained from year to year. The procedures also do not specify the amount of the change fund(s). Review of reconciliation forms indicates that the change fund changed from game to game.

Item 9 of Policies and Procedures states, “At the end of third quarter of each game the concession stand would close to count, record, and check balance of money collected to cash receipts. Two full time classified faculty at Foothill will count, record balances and sign on Football Snack Shack accounting form.” As noted above, where does the 2<sup>nd</sup> full time Foothill Faculty come from? There is only one supervisor in the Snack Shack. Also, students man the registers and ring up sales. There is no provision for them to count the money or receive a receipt for money turned in.

Item 10 of Policies and Procedures states, “Snack Shack administrator will record who worked the event and double check the times to the time cards.” When does this happen and how does the Snack Shack administrator obtain the time cards to review? The time cards are not prepared at the time of the event. Also, the procedures do not state who approves time cards. Approval should be made by the Division Dean/Athletic Director.

Item 11 of Policies and Procedures states, “On the next working day, Athletic Director and Bookstore representative would take money, review accounting form, count money, sign off on form and deposit into Football Snack Shack Account.” In practice, the Administrative Assistant obtains the cash from the safe, counts the money, prepares a reconciliation form and takes the money and a copy of the

reconciliation form to the Bookstore for deposit. The reconciliation form is not signed. The bookstore representative signs a receipt for the deposit.