

FULTON CITY SCHOOL DISTRICT

Superintendent's Office
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Brian T. Pulvino
Superintendent of Schools

September 26, 2017

Rebecca Wilcox, Chief Examiner
State Office Building, Room 409
E. Washington Street
Syracuse, NY 13202-1428

RE: Fulton City School District
Non-Payroll Cash Disbursements
2017M-144

Dear Ms. Wilcox,

The Fulton City School District has received the draft report of examination on Non-Payroll Cash Disbursements, Report 2017M-14, for the audit period July 1, 2015 through March 31, 2017. The District appreciates the professionalism and courtesy that was provided by your staff. This letter serves as the District's official Response and Corrective Action Plan. The District is extremely pleased with the positive key finding listed in the draft report regarding effective controls over non-payroll cash disbursements. Below is the key recommendation identified in your draft report.

- **Audit Recommendation:**

The Draft Report provided the Board of Education with a recommendation to disallow Third Party Administrators to withdraw funds from the District's healthcare bank account. Furthermore, it was recommended that the healthcare checking account is funded for the exact dollar amount of healthcare claims to be paid.

- **Implementation Plan of Action:**

The District agrees with these recommendations as the District's goal is to always comply with General Municipal Law as well as establish and maintain effective internal controls. The District has already taken corrective action to adhere to the recommendation. The dental and prescription TPAs no longer withdraw the funds to pay the District's dental and prescription claims. The District Treasurer receives invoices from the TPAs and then initiates a weekly ACH to pay the TPA's. The District Treasurer and Deputy Treasurer use dual authorization to approve the ACH method of payment. The claims auditor will review the disbursements. The District has also requested to modify the banking arrangements with the TPA that processes medical claims; to

terminate the electronic withdrawal and pay the agent with a dual authorized ACH for approved claims as it does for dental and prescription claims.

- **Implementation Date:**

The District has already corrected payment procedures for the dental and prescription TPAs and is currently working collectively with the medical TPA and expects to initiate the stated changes by October 15, 2017.

- **Person Responsible for Implementation:**

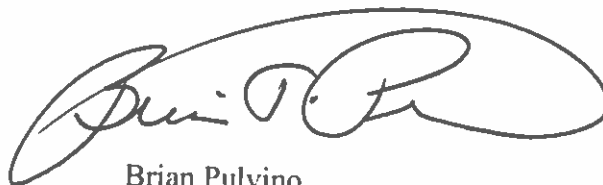
The Business Administrator is responsible for implementation.

The Fulton City School District's Board of Education and administration expresses its gratitude to Brent Kremenek for the guidance in the written report as well as the oral report and discussion. The District found the audit recommendation useful and informative.

Sincerely,



David Cordone
Board President



Brian Pulvino
Superintendent of Schools

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