



**Lorelei Case**  
Assistant Superintendent for Business  
9 Thompson Street  
Port Jervis, New York 12771

Phone (845) 858-3100 Ext. 15530  
Fax (845) 858-3265

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**To:** Ruth Zuclich  
Board of Education

**From:** Lorelei Case *W*

**Date:** September 28, 2017

**Subject:** Response to 2016-2017 Management Letter Comments

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Corrective Action Plan:

General Fund – Retained Fund Balance

During 2016-2017, the Board of Education approved funding the Capital Reserve. The total funding was \$3,750,000. The district maintains a five-year fund balance application plan that provides fiscal stability. The excess fund balance decreased from the past year. The fund balance will be monitored and a recommendation to apply more excess balance to the capital reserve will be considered by the Board of Education mid-year.

Cash Disbursement Process

During the year, memorandums are sent to the Building Principals and Directors reminding them that purchase orders must be approved prior to receiving services or goods.

A stern memorandum will be issued stating that services and goods received without prior purchase order approval will result in the individual being responsible for payment.

The Business Office continues to address the failure to input purchase orders in advance of services or goods being received.