

Parks and Recreation Cash Receipts



Town of Trumbull



July 13, 2023

Office of Internal Audit

Rebeca Lopez
Financial/Accounting Controls Analyst

Contents

Executive Summary.....	1
Authorization	2
Background	2
Objective	5
Scope and Methodology	5
Opportunities for Improvement	6
Appendix	9
A. Non-Town Sponsored Events Policy and Fee Schedule	
B. Town of Trumbull Special Revenue Funds Policy and Procedures	



Executive Summary

The Town of Trumbull's Parks and Recreation Department and the members of the Parks & Recreation Commission oversee the year round program activities, maintenance, and management of all parks and grounds used for park and recreational purposes and existing structures, excluding the public golf courses located within the Town together with all structures and buildings thereon. The Town has 20 parks and over 1,600 acres of town land available as recreational areas and open space along with many tennis, pickle ball, basketball and volleyball courts creating a more vibrant cultural experience for its residents and visitors.

The Parks and Recreation department offers various recreational activities including, but not limited to adult and children aquatics, children's camp, youth recreation, and concerts. The department is supported by the Town's general fund and relies on the collection of fees to recover costs associated with the various programs and activities, as well as field and facility rental fees, park sticker fees, and pool passes.

The focus of this audit was to evaluate the effectiveness and adequacy of key processes and control functions for the Parks and Recreation Department operations, assess compliance with applicable Town cash handling and revenue collection policies and procedures, and review the Special Revenue Account (SRA) activity and reconciliation.

The scope of this audit was conducted for the period covering July 1, 2022 to March 31, 2023.

Internal Audit (IA) identified the following areas for improvement during this audit:

- Departmental policies and procedures should be established, documented, and implemented
- Special Revenue Accounts should be reconciled in compliance with Town policy
- The current manual Seasonal staff hiring process should be revisited to improve efficiency

I would like to express my appreciation to the Parks and Recreation staff and the staff in the Finance department for their time, assistance, and cooperation during the course of the audit. Their contributions were essential to the success of this audit.

Authorization

Internal Audit (IA) conducted this audit under the authority of Chapter VII, Section 1C of the Town of Trumbull Charter and in accordance with the Annual Audit Plan approved by the Town of Trumbull Board of Finance.

Background

The Parks and Recreation department offers the community various recreational activities as listed on the department's webpage, www.trumbull-ct.gov/316/Parks-Recreation. Online and in person registration is available for the various programs offered, Pavilion rentals, and/or to reserve an athletic field or court. Non-residents activities, parking permit/stickers, and Non-town sponsored events (**Appendix A**) are also available for a fee.

The Parks and Recreation Administrative staff is responsible for the day to day operations of the department's recreation programs offered to the Town of Trumbull's community. The Administrative staff report to the Parks Superintendent and consist of the Recreation Administrative Assistant, Office Manager, Recreation Program Manager, Chief Park Ranger, Park Ranger, and 2 part-time Youth Advisors. The department also hires 80 -170 Seasonal staff to cover the seasonal positions such as Park Rangers, Maintenance staff, Lifeguards, and Camp counselors.

The Parks and Recreation Calendar of Events and related collection fees for the various events, programs, activities, as well as the year round parking permits/park sticker fees, are posted online on the Trumbull Parks and Recreation webpage. Park Stickers are mailed out with the motor vehicle tax bill in July at no cost to those with registered vehicles who pay taxes to the Town. Non-residents can purchase parking permits for a fee of \$112.

Trumbull residents and non-residents can register online and make payments to participate in programs offered via the Parks and Recreation webpage or in person at the Parks and Recreation office. An electronic invoice/receipt is provided for online payments.

Programs & Memberships

What would you like to register for?

-- Show All Categories --

Camps Future Stars Summer Camp Teen Adventure Camp Travel Camp	Fitness & Martial Arts Adaptive Karate Kempo Karate Outdoor Fitness Classes	Sports Clinics Trumbull Parks and Rec Sports Clinics	Swim Lessons Swim Lessons Toddler & Me Swim Lessons
TYA TYA Summer Musical Theater	Tennis & Pickleball Adult Pickleball with Fairfield County Tennis Social Play Pickleball Club Tennis Lessons with Fairfield County Tennis	Recreation Activities 2023 \$25 Companion POOL Pass (M -F) Adult Softball Food Explorers Teen Adventure Camp	

The Town of Trumbull's departments that have cash collection points must comply with the Town's Cash Handling Policy and Procedure prepared by the Finance Department and available on the Town's employee intranet page under [Finance – Town of Trumbull Intranet](#).

The term "cash" includes, currency (cash/coins), checks, and credit/debit cards.

As of March 2022, the Parks & Recreation department's cash receipts, refunds, and credits are recorded on the MyRec system. All online and in person payments are recorded on the MyRec system. The Department can run statistical and program revenue data from the MyRec system by Program Category – see below chart & Table 1.

Recreation Revenue by Program Category
as of March 31, 2023

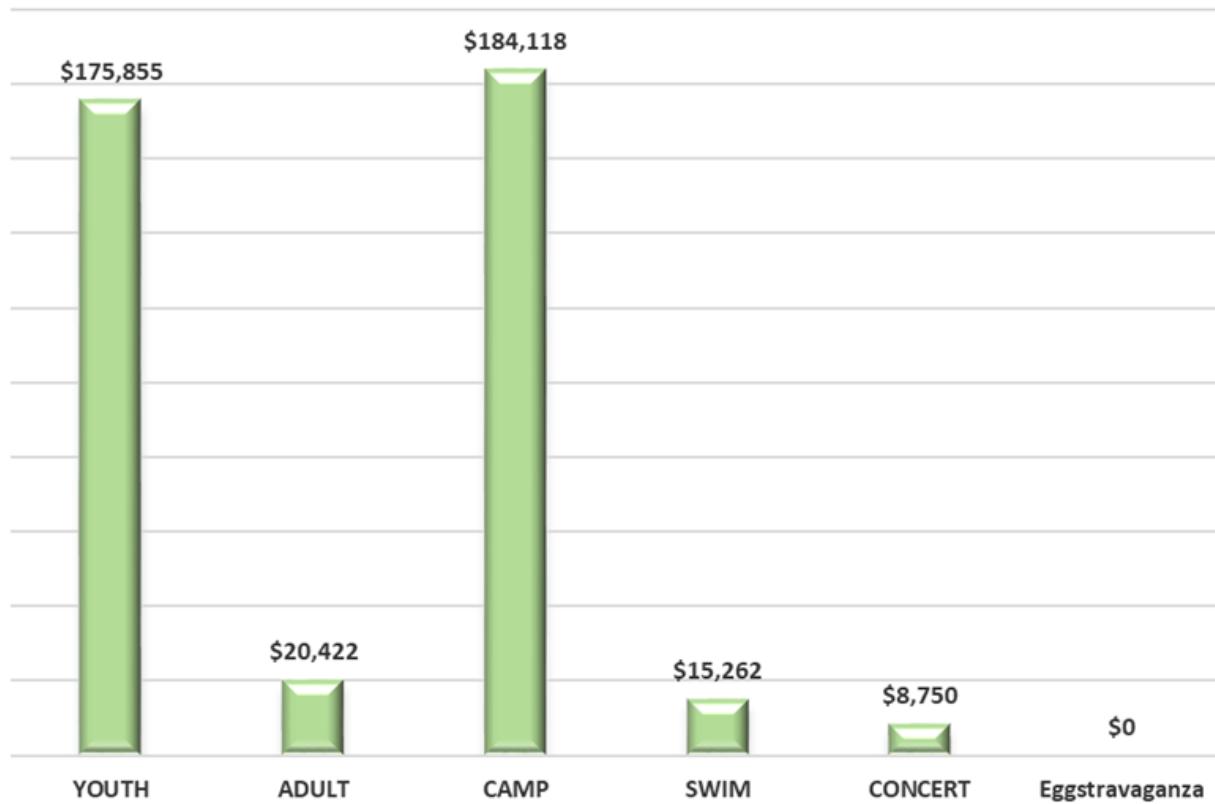


Table 1 – Recreation Program Sales Report @ March 31, 2023

Catergory	Program Name	Res Count	Non-Res Count	Total Count	Res Total	Non-Res Total	Totals
ADULT	Adult Pickleball with Fairfield County Tennis	31	1	32	\$4,960	\$180	\$5,140
ADULT	Indoor Badminton	45	0	45	\$999	\$0	\$999
ADULT	Indoor Pickleball	276	11	287	\$6,183	\$495	\$6,678
ADULT	Indoor Volleyball	39	22	61	\$825	\$990	\$1,815
ADULT	Lunchtime Yoga	17	2	19	\$1,275	\$0	\$1,275
ADULT	Outdoor Fitness Classes	34	0	34	\$1,700	\$0	\$1,700
ADULT	Restorative and Beginner Gentle Stretch Yoga	26	0	26	\$1,820	\$0	\$1,820
ADULT	Ukulele Lessons	26	3	29	\$900	\$95	\$995
CAMP	Summer Camp	594	1	595	\$95,548	\$145	\$95,693
CAMP	Summer Camp 2022 Trips	209	0	209	\$4,345	\$0	\$4,345
CAMP	Teen Adventure Camp	139	2	141	\$6,760	\$140	\$6,900
CAMP	Travel Camp	242	0	242	\$76,750	\$0	\$76,750
CAMP	Trumbull Parks and Rec Sports Clinics	18	0	18	\$430	\$0	\$430
CONCERT	Mallet Trust	1	0	1	\$8,750	\$0	\$8,750
EVENT	Eggstravaganza	401	0	401	\$0	\$0	\$0
SWIM	Adaptive Swim	12	0	12	\$0	\$0	\$0
SWIM	Lap Swim @ Tashua Knolls Pool	12	0	12	\$0	\$0	\$0
SWIM	Swim Lessons	266	0	266	\$12,497	\$0	\$12,497
SWIM	Toddler & Me Swim Lessons	52	0	52	\$2,765	\$0	\$2,765
YOUTH	Adaptive Basketball	18	3	21	\$150	\$135	\$285
YOUTH	Adaptive Karate	22	4	26	\$960	\$400	\$1,360
YOUTH	Basketball League	701	0	701	\$79,675	\$0	\$79,675
YOUTH	Chance to Dance with Monroe Dance Academy	3	0	3	\$240	\$0	\$240
YOUTH	D-Bat Baseball Camp	8	11	19	\$1,440	\$2,200	\$3,640
YOUTH	D-Bat Softball Camp	3	15	18	\$540	\$3,000	\$3,540
YOUTH	Food Explorers	52	1	53	\$5,271	\$122	\$5,393
YOUTH	Future Stars	184	0	184	\$32,500	\$0	\$32,500
YOUTH	Kempo Karate	59	0	59	\$7,210	\$0	\$7,210
YOUTH	Roller Skating	50	0	50	\$0	\$0	\$0
YOUTH	Summer US Sports Institute	4	1	5	(\$410)	(\$165)	(\$575)
YOUTH	Tennis Lessons with Fairfield County Tennis	260	2	262	\$38,711	\$150	\$38,861
YOUTH	US Sports Institute	49	0	49	\$3,726	\$0	\$3,726
	Total	3,853	79	3,932	396,520	7,887	404,407

The Parks and Recreation department budget is funded by the General fund and the program revenue that helps defray the cost of various activities. The Parks and Recreation program revenue and related expense report, created by the Department for budget purposes, as of March 28, 2023 were as follows:

Program Category	Revenue	Program Expenses	Net of Program Costs	Salary Expenses		TOTAL NET REVENUE
RECREATION						
Adult	\$ 14,983	\$ 3,072	\$ 11,911	\$ 4,568		\$ 7,343
Aquatics	\$ 14,073	\$ 932	\$ 13,141	\$ 10,706		\$ 2,435
Camp	\$ 105,293	\$ 37,167	\$ 68,126	\$ 66,546		\$ 1,580
Concerts	\$ -	\$ 6,552	\$ (6,552)	\$ -		\$ (6,552)
Events	\$ -	\$ 8,093	\$ (8,093)	\$ -		\$ (8,093)
Youth	\$ 163,308	\$ 80,253	\$ 83,055	\$ 7,382		\$ 75,673
TOTAL RECREATION	\$ 297,655.82	\$ 136,067.65	\$ 161,588	\$ 89,201.25		\$ 72,386.92
PARKS						
Facility Rentals	\$ 2,565.00	\$ -	\$ 2,565	\$ -		\$ 2,565.00
Fields	\$ 99,524.65	\$ -	\$ 99,525	\$ -		\$ 99,524.65
Park Stickers	\$ 5,825.00	\$ 12,416	\$ (6,591)	\$ -		\$ (6,591.43)
Pool Passes	\$ 475.00	\$ -	\$ 475	\$ -		\$ 475.00
TOTAL PARKS	\$ 108,389.65	\$ 12,416.43	\$ 95,973	\$ -		\$ 95,973.22
MISCELLANEOUS	\$ -	\$ 5,411.07	\$ (5,411)	\$ 14,678.89		\$ (20,089.96)
CREDIT CARD FEES	\$ (5,837.56)	\$ -	\$ (5,838)	\$ -		\$ (5,837.56)
GRAND TOTAL	\$ 400,207.91	\$ 153,895.15	\$ 246,312.76	\$ 103,880.14		\$ 142,432.62

Objective

The objective of the audit was to evaluate the Parks and Recreation Department's key processes and control functions for the Department operations, the recording of cash receipts, the timeliness of bank deposit, and the Special Revenue Account (SRA) activity and reconciliation, to determine if internal control procedures are adequate and adhered to in protecting the Town's assets.

Scope and Methodology

In accordance with the goals set forth in the Town's Annual Audit Plan, IA conducted an audit of the Parks and Recreation department's cash receipts. The audit was conducted in conformance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The standards require that IA plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. IA believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

The scope of the audit was for the period covering July 1, 2022 thru March 31, 2023.

As part of the Audit Methodology IA,

- conducted interviews with the Park Superintendent and the Parks and Recreation Office Manager to gain an understanding of the Department's operational processes and assess compliance with the current cash handling policy;
- observed the cash handling process to verify that segregation of duties exist and that the checks and cash on hand were properly safeguarded, accounted for, and that the bank deposits were made in a timely manner in compliance with the Town's Cash Handling policy;
- verified that the Parks and Recreation MyRec system activity fees collected agreed to the Town's Munis financial system cash receipts and were recorded in the proper accounting period in accordance with GAAP;
- reviewed the SRA activity and requested the related quarterly reconciliations to verify accuracy, completeness in accordance with SRA policy.

Opportunities for Improvement

During the audit, IA identified certain areas for improvement. The audit was not designed or intended to be a detailed study of every transaction, procedure, or relevant system. Accordingly, the Opportunities for Improvement section presented in this report may not be all-inclusive of areas where improvement might be needed.

Observations

IA requested copies of the department's current policies and procedures related to the departmental cash collection and account reconciliation responsibilities to verify the existence of segregation of duties. The Parks and Recreation Office Manager provided a partially developed Funds and Expenditures Policy for cash collection. A departmental account reconciliation policy and procedure had not been documented at the time.

IA conducted a walkthrough of the in-person payments and cash on hand to ensure compliance with the safeguarding of Town assets. The Department has two cash drawers containing a minimal amount for change and the safe contained a minimal amount as a recent bank deposit was done. IA reiterated the Town's Cash Handling process and advised the Office Manager to ensure the safe is locked at all times and cash boxes are never be left unattended.

The Parks and Recreation Office Manager completes a bank deposit form using the corresponding MyRec Distribution report for all program payments and park fees received, including those applicable to the SRAs. A copy of the distribution report is forwarded to Finance with the bank deposit form. Finance records the payment information on the bank deposit form to Munis per the account on the deposit form. Finance receives and records the credit card fees against the department's revenue account and sends the related credit card payment report to the Parks and Recreation Office Manager on a daily basis. The credit card payment report is reconciled to the amount in the MyRec system.

The Parks and Recreation department works in collaboration with the Human Resource department to fill the Seasonal staff vacancies needed year round. Peak Season is June through August, but a handful of staff is needed during off peak for parks and building needs. The Seasonal Staff positions range from

80-170 staff. The Office Manager manually completes and processes the Personnel Action Form (PAF) for each seasonal employee and sends the form and corresponding support documentation to the Human Resource Generalist. The Human Resource Generalist reviews the forms and support docs for completeness. The forms and documents are returned to the Parks and Recreation department if the package is incomplete. The Parks and Recreation department records the Seasonal Staff terminations as applicable.

IA received and reviewed the Parks & Recreation department's Funds and Expenditures Policy for cash/check collections. The Parks & Recreation department does follow the Town of Trumbull's Cash Handling policy regarding the cash on hand and bank deposits. However, their Department's Funds and Expenditures policy does not specify who processes and records in-house payments, prepares the deposit slip and support documentation, reviews/approves the deposit, and reconciles the cash receipts to Munis Financial records to ensure segregation of duties exist, the department's cash receipts are safeguarded, and checks are endorsed upon receipt.

Observation #1: The department's cash receipts policies and procedures are not fully developed, documented and implemented.

Recommendation: The Parks and Recreation department should establish, document, and implement their own cash handling procedures unique to their circumstances pertaining to the collection and refunds of fees and corresponding bank deposits to effectively ensure,

- training is provided to all staff handling cash
- segregation of duties exists
- safeguarding of the Town's assets
- bank deposits comply with the Town's Cash Handling policy
- accounts are reconciled in accordance with Town policy

Management Response: The Office Manager is in the process of completing the documentation and implementation of departmental policies and procedures to ensure compliance with the audit recommendation.

Internal Audit reviewed the department's Special Revenue Accounts activity and balances for completeness, accuracy, timeliness, and reconciliation in compliance with the Town's established SRA policy and procedure (**Appendix B**).

Section 8 of the Town's SRA policy states:

8.0 Roles and responsibilities

*8.1 Department Managers are responsible for new account requests, for obtaining and maintaining set up documentation, **for review and quarterly written reconciliation of each Special Agency Account for their Department**, for budgetary discussions and for inactivation of account once specified purpose of Fund has been accomplished.*

8.2 The Finance Department is responsible for the review of requests for account set up and for obtaining the Board of Finance approval for the activation of new Special

Agency Accounts. The Finance Department is also responsible for the review of the quarterly reconciliations prepared by Department Managers.

The Parks & Recreation department was scheduled to receive training on the SRA reconciliations prior the Covid 19 Pandemic, which hindered the planned training sessions. The last completed SRA reconciliations were from June 2021.

Observation #2: FY2022 and 2023 Quarterly Special Revenue Account reconciliations are not completed.

Recommendation: In compliance with section 8 of the Town's SRA policy, the Department should complete the SRA reconciliations on a quarterly basis and submit a copy with the related support documentation to Finance for review.

Management Response: The Parks and Recreation Office Manager concurs with this finding and is working on completing the outstanding SRA reconciliations and send to Finance by end of FY 2023.

IA will review the outstanding SRA reconciliations with the Department once completed and provide the necessary guidance/training as needed.

Corrective Action Taken: In May, the Office of Internal Audit emailed the Parks and Recreation Office Manager a copy of the Town's SRA policy and the related reconciliation training materials. IA provided guidance to the Office Manager regarding steps needed to bring the outstanding reconciliations up to date.

Internal audit reviewed the Parks and Recreation Seasonal hiring process for efficiency and completeness. The current manual process can be time consuming during peak season.

Observation #3: The Seasonal Staff documentation process is inefficient and time consuming.

Recommendation: The Seasonal staff hiring process should be revised in collaboration with the Human Resource department to improve efficiency. The Departments should consider looking into the automation of completing the PAF, electronically attaching or scanning support documentation to the PAF, and electronic notification and approvals between departments.

Management Response: Both Parks & Recreation and Human Resources departments are receptive to improving the current Seasonal hiring process and see what automation resources are available. The Human Resource Director indicated that they have reached out to the Information Technology department to determine the feasibility and technology needs to upgrade to an automated process.

I/A will conduct a follow-up review of this Finding to determine the status of the proposed automation upgrade and process improvement.

Appendix

Appendix A

NON-TOWN SPONSORED EVENTS POLICY AND FEES SCHEDULE

The Town of Trumbull Park Commission has established this Non-Town Sponsored Events Policy and Fees Schedule to ensure the consistent quality and standards of the Park System, which are otherwise provided for the general public, without additionally impacting department resources.

Rental Fee for Use of Town of Trumbull park facilities for non-Town sponsored events is established at \$1,500 per day for set-up days, event days, and break-down days.

Groups or persons wishing to schedule a public assembly in any of Trumbull's grounds or Parks including but not limited to, a rally, demonstration, vigil, speech, march, parade, religious service, or other congregation of persons for the purpose of public expression of a political, social, or religious view must adhere to all the regulations within the Trumbull Municipal Code, including but not limited to Chapter 15—Parks and Recreation. A permit will be required to be obtained from the Parks and Recreation Department in order to avoid displacing previously approved events and activities. Fees will be waived for all such public gatherings.

In addition to the Rental Fee, the sponsor is responsible for:

- Damages and material remediation as determined solely by the Park Commission and its Superintendent.
- Labor for repairs.
- Overtime for Rangers, Maintenance Crews, Police and Emergency Services.
- *All applicable requirements of the Town's Use of Facilities and Fields Rules and Regulations must be adhered to, including provision of a Certificate of Liability Insurance and file with the Park Commission prior to set-up a Surety or Cash Bond in a minimum amount of \$15,000 (commensurate to size of event). (Amended May 24, 2022)

Dated May 24, 2022

*(Amended May 24, 2022)

**Town of Trumbull
Policy and Procedures
Special Revenue Funds**

**January 20,
2016**

Index

- 1.0 Policy purpose**
- 2.0 Departments involved**
- 3.0 Special Revenue Fund definition**
- 4.0 When the setup of a new fund would be appropriate**
- 5.0 Documentation and authorization requirements**
- 6.0 Document retention requirements**
- 7.0 Disbursement authorization**
- 8.0 Roles, responsibilities and instructions for review/reconciliation of the fund**
- 9.0 Inclusion in budget process**
- 10.0 Process to close and deactivate account once fund purpose is accomplished**

1.0 Policy Purpose

This Policy and Procedure document provides technical guidance related to the use of Special Revenue Funds. Additionally, it standardizes responsibilities and operational processes related to:

- authorization and set up of a new fund
- document retention and reconciliation requirements of a fund
- budgetary discussion
- account inactivation when appropriate

2.0 Departments Involved

2.1 Every Department for which a Special Revenue Fund currently exists or for which a new account is requested is involved with the process.

2.2 The Finance Department is involved as an intermediary with Board of Finance, and in an approval/review capacity.

3.0 Definition of a Special Revenue Fund

3.1 A Special Revenue Fund is an account established to collect money that must be used for a specific project or purpose. Funds are segregated in accordance with laws and regulations or special restrictions and limitations.

3.2 The funds do not close to the general fund. They remain in existence until the fund purpose has been accomplished. Any remaining balance should be returned, or if permitted, closed to the general fund. The account should then be inactivated in MUNIS.

4.0 Appropriate set up of Funds

4.1 Grants, Endowments, Trusts: Special Revenue Funds are specifically defined "accounts" with dedicated revenues and related restricted expenditures. Accounts may be legally required per grant, endowment or trust document.

4.2 Fees, Donations: Special Revenue Funds may be required to appropriately match revenue and expense as these accounts do not close to the general fund on an annual basis.

5.0 New Fund documentation and authorization requirements

- 5.1 When a Special Revenue Fund is required, source documents and information should be gathered and provided to the Finance Department:
 - Department requesting
 - Source of funds
 - Amount expected
 - Purpose of fund
 - Appropriate use of funds
 - Term, if applicable
- 5.2 The Director of Finance may approve the new account request, may request clarification, or may suggest another method of accounting for the situation.
- 5.3 Once approved by the Director of Finance, the account information will be presented to the Board of Finance for their information and affirmation.

6.0 Document retention

- 6.1 Source documents and set up information should be retained by the Department requesting the Fund. Such documentation must be available for review upon request.
- 6.2 Per State of Connecticut, documents must be retained while the Fund is active and for the mandated period of time once the Fund purpose has been accomplished and the account is inactivated. Current documentation retention requirements available at:
<http://ctstatelibrary.org/publicrecords/state>

7.0 Disbursement authorization

- 7.1 Disbursement authorization is governed by the Charter of the Town of Trumbull. Any deviation to the Charter provisions must be approved in writing by the Director of Finance.

8.0 Roles and responsibilities

- 8.1 Department Managers are responsible for new account requests, for obtaining and maintaining set up documentation, for review and quarterly written reconciliation of each Special Revenue account for their Department, for budgetary discussions and for inactivation of account once specified purpose of Fund has been accomplished.
- 8.2 The Finance Department is responsible for the review of requests for account set up and for obtaining the Board of Finance approval for the activation of new Special Revenue accounts. The Finance Department is also responsible for the review of the quarterly reconciliations prepared by Department Managers.

9.0 Budget

9.1 All Special Revenue Funds are to be presented during budget discussions. At a minimum, the following information will be presented for each Fund of the Department:

- Purpose of fund
- Balance of fund
- Funding source
- Appropriate use

10.0 Account inactivation

10.1 When the purpose of a fund has been accomplished, remaining balance should be returned or closed to general fund, whichever is applicable. As stated in Section 8.1, it is the responsibility of the Department Manager to notify the Director of Finance when the Fund purpose has been accomplished or when anticipated funds have been depleted. Director of Finance will return remaining funds or close any balance remaining in the fund and deactivate the account in the ledger system.

EXAMPLE**Town of Trumbull**
Special Revenue Account Reconciliation**Town Department:****For the quarter ended:****Account name:****Source of funds:****Org (from Munis):****Single funding or ongoing:** ongoing**Object (from Munis):** 522205**Term date (if applicable):** N/A**Account description:** Special Agency account for

Prior quarter ending reconciliation balance:	\$ -	Adjustments required:	
Add: receipts	0.00	1 month due from Easton	\$ -
Less: deposits in transit	_____	4 months due from Trumbull	-
Less: disbursements	0.00	_____	_____
Current Munis balance	0.00	_____	_____
Adjustments (+/-)	0.00	_____	_____
Adjusted balance	<u>\$ -</u>	Total adjustments	<u>\$ -</u>

Prepared by:

Date:

Reviewed by:

Date:
