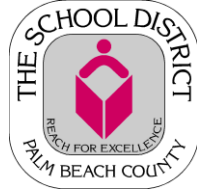


Special Review of
The 2017 Hoodies Fundraiser Money Collection Records At
Western Pines Middle School

July 19, 2018

Report #2018-05



MISSION STATEMENT

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Special Review of
The 2017 Hoodies Fundraiser Money Collection Records At
Western Pines Middle School

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**Special Review Of
The 2017 Hoodies Fundraiser Money Collection Records At
Western Pines Middle School**

EXECUTIVE SUMMARY

At the request of the Principal of Western Pines Middle School, we have reviewed the school's money collection records for the 2017 Hoodies Fundraiser. The primary objective of this special review was to determine if money collected for this fundraiser were properly accounted for. This special review produced the following major conclusions.

1. \$280 Removed From the School

We analyzed all fundraiser money collection records for the hoodie orders during July 1 through November 30, 2017. All collections were accounted for except \$280 in cash collection was removed from the school by the school office assistant. The \$280 in cash and hoodie *Order Forms* that the school office assistant had in her possession were subsequently returned to the school on December 5, 2017.

Removal of money from the school violated *School Board Policy 3.02, Code of Ethics, Section 5(f)(ii)* of this Policy provides that unethical conduct includes “*Failing to account for public funds collected from students, parents or other parties*”.

Keeping the school's money at home could result in (a) co-mingling public or school-related funds with personal funds, and (b) using district funds without proper approval. Both activities are disallowed by *School Board Policy 3.20, 5(f)(iv) and (v)*.

Management's Response:

Principal of Western Pines Middle School: Agree. (Please see page 6.)

Chief Financial Officer: Management concurs that funds should be turned in daily, this is included in the Internal Accounts: Cash Receipts for Teacher/Sponsor eLM Training which the sponsor completed on October 24, 2017. (Please see page 7.)

2. Noncompliance With Money Collection Procedures

During our review of the collection records, we noted the following noncompliances with the District's money collection procedures.

- a. Individuals collecting money not completing *Monies Collected Reports (MCRs)*. The school office assistant and other office staff members collected monies from several different activities throughout the day. However, we found that some money collections and receipts were not put into the drop-safe for deposit. Instead, the money and receipts

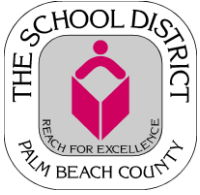
were given to the activity sponsors for preparing the MCRs based on the *Classroom Receipts*. Moreover, the activity sponsors did not always attach the yellow copies of the *Classroom Receipts* to the MCRs, as required by District procedures. These noncompliances further delayed the deposit of collections into the bank.

- b. *Monies Collected Reports Prepared by Non-District Employee.* The school's Parent Teacher Organization (PTO) is organized by a community volunteer. The community volunteer prepared and signed the *MCRs* for the PTO Hoodies fundraiser, including orders for the hoodies and money collected by the school office assistant. The volunteer also put collections into the drop-safe and recorded the collections on the *Drop-safe Log*. The school's handling of the PTO Hoodies fundraiser was not consistent with **Bulletin #P 18-055 CFO**, which states "All internal PTO/PTAs and Booster Clubs must have a District employee sponsor to sign all official forms."

Management's Response:

Principal of Western Pines Middle School: Agree. (Please see page 6.)

Chief Financial Officer: Management concurs. While District staff continues to enhance both in-person and online training, the prescribed procedures must be implemented with fidelity by school staff to be effective. Management appreciates the fact that no monies were missing. (Please see page 7.)



THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

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LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

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MEMORANDUM

To: Honorable Chair and Members of the School Board
Donald E. Fennoy II, Ed.D., Superintendent of Schools
Chair and members of the Audit Committee

From: Lung Chiu, CPA, Inspector General

Date: July 19, 2018

Subject: Special Review of the 2017 Hoodies Fundraiser Money Collection Records at
Western Pines Middle School

PURPOSE AND AUTHORITY

At the request of the Principal of Western Pines Middle School, we have reviewed the school's money collection records for the 2017 Hoodies Fundraiser. The primary objective of this special review was to determine if money collected for this fundraiser were properly accounted for.

SCOPE AND METHODOLOGY

This special review included interviews with school staff and review of the following fundraiser records for July 1 through November 30, 2017:

- General Ledgers for the school's Internal Funds Accounting System (SchoolCash.net system)
- *Classroom Receipt Books*
- *Monies Collected Reports (MCRs)*
- *Drop-safe Log*
- *School Board Policy 3.02, Code of Ethics*
- *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*
- District's *Internal Accounts Manual*
- District's *Bulletin #P-14051-S/CFO, Drop Safe Log Procedures for School Deposits*

Draft findings were sent to the school and Financial Management Division for management review and comments. We appreciate the courtesy and cooperation extended to us by staff during the review. The final draft report was included in the July 19, 2018, Audit Committee Meeting Agenda.

BACKGROUND

Parent Complaints. During November 2017, the Principal received several complaints from parents that some students did not receive the hoodies they pre-purchased during a Parent Teacher Organization (PTO) Fundraiser. These complainants also indicated that it was the same school office assistant who collected the cash payments for the hoodies.

After receiving these complaints, school staff discovered five receipts were torn-out from the *Classroom Receipt Books* used by the school office assistant (see Figure 1). One complainant produced an original receipt, #13-007140, written on October 13, 2017, for \$40 in payment. This receipt matched one of the five torn-out receipts.

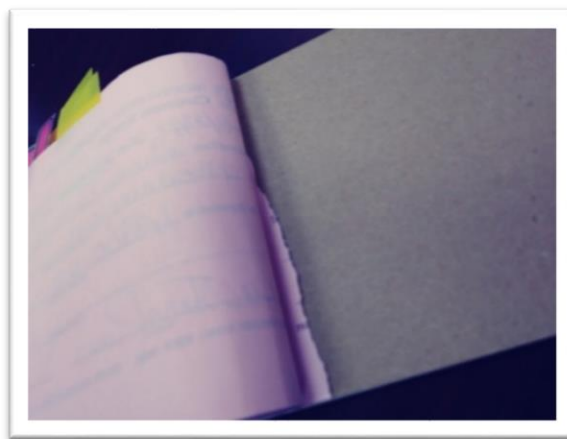


Figure 1 – Example of Torn-out Receipt

On November 29, 2017, the school administrative assistant contacted the school office assistant, who was on leave at the time, and inquired about the students' payments. The school office assistant confirmed that she had with her \$280 in cash and some hoodies *Order Forms*. The school office assistant emailed photos of both the money and *Order Forms* to the school administrative assistant.

On December 5, 2017, a relative of the school office assistant brought the cash and *Order Forms* to the school. The money was counted and a receipt was issued to that relative. The money was deposited into the Internal Funds and the students' hoodie orders were processed.

Referral to the Office of Inspector General (OIG). The Principal reported this matter to the Office of Professional Standards (OPS) and School Police. Subsequently, the Principal contacted the OIG on November 30, 2017, and reported the subject issue, as recommended by OPS and School Police.

FURTHER ACTIONS

On January 26, 2018, our draft conclusions were referred to the Office of Professional Standards and School Police for necessary actions.

On January 31, 2018, School Police informed OIG that,

“This matter was investigated by the school based police officer. Our department’s investigation (PBCSPD case #17015285) was closed/unfounded on 12/12/17 and the report was forwarded to the Office of Professional Standards.”

As of May 8, 2018, the case was still active/open in the Office of Professional Standards.

Due Process. On April 30, 2018, in accordance with **School Board Policy 1.092**, a 20-day letter, with the draft report, was sent to the related school office assistant for response. As of May 29, 2018, no response was received from the related employee.

CONCLUSIONS

1. \$280 Removed From the School

We analyzed all fundraiser money collection records for the hoodie orders during July 1 through November 30, 2017. Except for the \$280 that the school office assistant had in her possession, we concluded that all monies collected were properly accounted for. The remaining \$280 in cash and hoodie *Order Forms* that the school office assistant had in her possession were returned to the school on December 5, 2017.

Removal of money from the school violated **School Board Policy 3.02, Code of Ethics. Section 5(f)(ii)** of this Policy provides that unethical conduct includes *“Failing to account for public funds collected from students, parents or other parties”*.

Keeping the school’s money at home could result in (a) co-mingling public or school-related funds with personal funds, and (b) using district funds without proper approval. Both activities are disallowed by **School Board Policy 3.20, 5(f)(iv) and (v)**.

Recommendation

To protect the best interests of the school, school assets should be properly safeguarded at all times. The District’s **Internal Accounts Manual** requires all money collected be turned in for deposit on a daily basis. Delay in turning in the monies daily could result in irregularities.

Management’s Response:

Principal of Western Pines Middle School: Agree. (Please see page 6.)

Chief Financial Officer: Management concurs that funds should be turned in daily, this is included in the *Internal Accounts: Cash Receipts for Teacher/Sponsor eLM Training* which the sponsor completed on October 24, 2017. (Please see page 7.)

2. Noncompliance With Money Collection Procedures

During our review of the collection records, we noted the following noncompliances with the District's money collection procedures.

a. Individuals collecting money not completing *Monies Collected Reports (MCRs)*

The school office assistant and other office staff members collected monies from several different activities throughout the day. The collections included money for fundraisers, fees for morning and afterschool programs, sales of Agenda Books, and payments for lunch. Each staff member was assigned a *Classroom Receipt Book* as required by the District's procedures. However, we found that some money collections and receipts were not put into the drop-safe for deposit. Instead, the money and receipts were given to the activity sponsors for preparing the MCRs based on the *Classroom Receipts*. Moreover, the activity sponsors did not always attach the yellow copies of the *Classroom Receipts* to the MCRs, as required by District procedures. These noncompliances further delayed the deposit of collections into the bank.

Recommendation

DOE Rules and *District Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the money is collected. The individual who collects the monies should complete the *Monies Collected Report*, record the collection on the *Drop-safe Log*, and put the monies into the drop-safe daily in accordance with District's *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*. Delay in turning in the monies for deposit could subject the fundraiser sponsor to unwarranted exposure and result in potential irregularities.

Management's Response:

Principal of Western Pines Middle School: Agree. (Please see page 6.)

b. *Monies Collected Reports Prepared by Non-District Employee*

The August 15, 2017, School District's *Bulletin #P 18-055 CFO - FY18 Mandatory Internal Accounts Training for Teachers and Account Sponsors Available in eLearning Management*, states that:

"Effective FY18, only District employees can sign official forms which include: PBSB 0181, Check Requisition; as well as PBSB 0180, Monies Collected Report; and PBSB 2407, Drop-safe Log. All internal PTO/PTAs and Booster Clubs must have a District employee sponsor to sign all official forms."

The school's Parent Teacher Organization (PTO) is organized by a community volunteer. The community volunteer prepared and signed the *MCRs* for the PTO Hoodies fundraiser,

including orders for the hoodies and money collected by the school office assistant. The volunteer also put collections into the drop-safe and recorded the collections on the *Drop-safe Log*. The school's handling of the PTO Hoodies fundraiser was not consistent with ***Bulletin #P 18-055 CFO***.

Recommendation

The school should comply with the District's money collection procedures detailed in ***Bulletin #P 18-055 CFO***. Specifically, all District official forms for internal PTO/PTAs and Booster Clubs activities should be signed by a District employee sponsor.

Management's Response:

Principal of Western Pines Middle School: Agree. (Please see page 6.)

Chief Financial Officer: Management concurs. While District staff continues to enhance both in-person and online training, the prescribed procedures must be implemented with fidelity by school staff to be effective. Management appreciates the fact that no monies were missing. (Please see page 7.)

– End of Report –

Management's Response
Principal of Western Pines Middle School



Western Pines Community Middle School

5949 ~ 140th Avenue North, West Palm Beach, Florida 33411

(561) 792 2500 Fax (561) 792 2530

Robert B. Hatcher Christy Stuart Scott Paladino Liz Jimenez
Principal Asst. Principal Asst. Principal Asst. Principal

February 22, 2018

Re: Special Review of the 2017 Hoodies Fundraiser Money Collection Records at
Western Pines Middle School

RECEIVED
FEB 26 2018
INSPECTOR GENERAL

Dear Mr. Law,

To reiterate our conversation by phone on February 22, 2018, in reference to the 2017 Hoodies
Fundraiser at Western Pines, I agree with the following findings in this report:

1. \$280.00 removed from the school –

Management's Response – Agree

2. Noncompliance with money collection procedures –

- a. Individuals collecting money not completing Monies Collected Reports (MCR)

Management's Response – Agree

- b. Monies collected reports prepared by non-district employee

Management's Response – Agree

District recommendations will be implemented immediately.

Sincerely,

Robert Hatcher
Principal

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Management's Response
Chief Financial Officer



THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FL

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MICHAEL J. BURKE
CHIEF FINANCIAL OFFICER

DONALD E. FENNOY, II, Ed.D.
SUPERINTENDENT

MEMORANDUM

RECEIVED
MAR 19 2018
INSPECTOR GENERAL

TO: Lung Chiu, Inspector General

FROM: Michael J. Burke, Chief Financial Officer *MJB*

DATE: March 16, 2018

SUBJECT: **Special Review of 2017 Hoodies Fundraiser Money Collection Records at Western Pines**

Management has reviewed the Special Review of the 2017 Hoodies Fundraiser Money Collection at Western Pines Middle School:

- 1. \$280 Removed from the School**
Management concurs that funds should be turned in daily, this is included in the Internal Accounts: Cash Receipts for Teacher/Sponsor eLM Training which the sponsor completed on October 24, 2017.
- 2. Noncompliance with Money Collection Procedures**
Management concurs

While District staff continues to enhance both in-person and online training, the prescribed procedures must be implemented with fidelity by school staff to be effective. Management appreciates the fact that no monies were missing.

MJB/mw

cc: Keith Oswald, Deputy Superintendent – Chief of Schools
Nancy Samuels, CPA, Director of Accounting