



TO: Gilbert Gutierrez
Area Superintendent

FROM: W. Stephen Carr *WSC*
Director of Office of Internal Audit

DATE: May 15, 2012

RE: San Diego High School ASB Audit

An audit of the Associated Student Body fund financial operations was conducted at San Diego High School for the period July 1, 2010 through June 30, 2011. The audit report contains information regarding the audit findings and recommendations.

Enclosed is a copy of the audit report and site administrator's response. The site administrator was responsive to all of our recommendations and corrective actions had been taken or planned.

If you have any questions concerning information in this report, please call me at 725-5696.

c. Members, Board of Education

W. Kowba
N. Meyer
L. Schoenke
B. Rhinerson

e-mail report: Members, Audit committee
J. Salkeld
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SAN DIEGO HIGH SCHOOL

Associated Student Body Audit Report

May 3, 2012

Introduction

The Office of Internal Audit performed an audit of the Associated Student Body (ASB) financial operations at San Diego High School (SDHS) for the period July 1, 2010 through June 30, 2011 at the request of the Principal of Operations and the Area 6 Superintendent.

Student body funds are funds that have been earned or received by the students as a group. These funds are held in the name of the student body organization for the benefit of the student body as a whole. The Superintendent shall have the responsibility and authority to implement all policies and regulations pertaining to the supervision and administration of student activity funds in accordance with established policies and regulations of the Board of Education. The Principal, as trustee, is directly responsible for the conduct of student financial activities. The ASB Advisor, under the Principal's direction is responsible for all student activities, clubs, fund-raisers and specific additional duties outlined in district procedures. The Financial Clerk, under the Principal's direction and supervision, is responsible for all handling of cash in connection with these activities.

The San Diego High School ASB checking and other asset accounts as of June 30, 2011, had a balance of \$330,934.01. The ASB General Fund constitutes a balance of \$597.57 of this total. Approximately \$684,000.00 was deposited and \$705,220.00 was withdrawn between July 1, 2010 and June 30, 2011, through the San Diego High School ASB accounts.

In fiscal year 2010-2011, the principal in charge of the ASB operations was the prior principal of SDHS of LEADS and in her absence the principal of SDHS of Science and Technology was in charge. The Principal of Operations started working at San Diego High School on August 8, 2011.

The San Diego High School is composed of six small high schools (School of Arts, School of Business, School of Communication, School of International Studies, School of Learn, Explore, Achieve, Discover and Achieve, and School of Science and Technology). The total enrollment for all six schools as of February 24, 2012 was 2,553 students.

Audit Scope

We performed the audit of ASB financial records from July 1, 2010 through June 30, 2011 at San Diego High School. However, we expanded the audit to other ASB trust accounts related to the rental of facilities from July 1, 2009 to June 30, 2010, due to the failure of the site's successive administrators to follow an October 10, 2002 audit recommendations in proper accounting and use of rent income from school facilities.

Audit Objectives

- To ensure adequate internal controls are in force.
- To determine if ASB accounts and activities are in accordance with district procedures.
- To determine that expenditures have adequate supporting documentation.
- To determine that record keeping is sufficient to assure efficient and accurate accounting.

Audit Findings Summary

1. The Athletic Director submitted expenses (\$590.65) and received payment from the 'SDHS Foundation-Athletics' account for these expenses that had already been reimbursed to him by the district.
2. The School of International Studies principal had the 'SDHS Foundation-Athletics' account used to pay for the principal's personal expenses of \$466.65 known to not be a permitted expenditure.
3. The 'SDHS Foundation-Athletics' account was used to pay the Financial Clerk \$500.00 for his services already paid by the district.
4. Seventeen (17) yearbooks were not accounted having a value totaling \$1,445.00.
5. Merchandise inventory of PE clothes were not taken every year as required by district procedures.
6. The audit identified \$100.00 in missing collections and the received funds were not applied to any account.

The following series of findings - 7 thru 10 - identify several years of continuous violation of district policy and procedure on facility rental, abuse of authority, misuse and prohibited use of funds – happened following a 2002 audit that identified this practice as a violation.

7. The SDHS principal for the period May 2005 through July 2008 in violation of district policy and procedure misappropriated \$123,570 in facilities rentals from the district by diverting the monies to SDHS ASB after, as ASB Advisor, being instructed in a 2002 audit report that this practice was prohibited.
8. The Balboa Stadium was rented to non-district organizations without a permit, and rent income from July 2009 to August 2010, totaling \$21,956.25 was deposited in the ASB instead of depositing it through the district.
9. Part of the income (\$7,662.68) from the rent of the Balboa Stadium from July 1, 2009 to June 30, 2010, was transferred to two trust accounts under the discretion of the Athletic Director which was later used to pay for his personal expenses and expenses that benefited the faculty.

10. The Athletic Director continued renting the Balboa Stadium without a permit to non-district organizations, from September 2010 to March 2011, totaling \$27,987.50, despite being advised by the rental office to stop the practice, and to prevent oversight and expenditure monitoring, diverted the rental income from the district to the San Diego High School Foundation.
11. The basketball team trip to Las Vegas did not have approval of the Board of Education.
12. The Financial Clerk paid \$2,455.24 to All Star Designs based on a questionable invoice.
13. The 'SDHS Foundation-Athletics' account was used to pay for prohibited purchases totaling \$2,033.21.
14. The 'SDHS Foundation-Athletics' account was used to pay for restricted expenditures totaling \$800.00.
15. The 'SDHS Foundation-Athletics' account was used to pay expenses without supporting documents that totaled \$15,508.32.
16. The rental from the Balboa Stadium and school facilities, totaling \$27,067.50 for the period July 1, 2010 through October 6, 2011, were commingled in the ASB trust accounts for various athletics account.
17. In fiscal year 2010-2011, the school continued to allow non-district organizations - that are not qualified to use the School site facilities without a permit from the District's Rental Office - use of the facilities.
18. A teacher sold various sporting goods to the school in violation of district procedures no. 2225 and no. 2415.
19. The teacher who sold various sporting goods to the ASB introduced a vendor, "All Star Designs" to the school who did not have a business license, and acted like an agent for the vendor.
20. Misuse of student body funds through inappropriate and prohibited expenditures was found totaling \$7,460.52.
21. Student body funds totaling \$5,430.00 were used to pay for salaries instead of paying through the District's payroll system.
22. The School made donations to various organizations totaling \$1,071.74. This is an inappropriate use of ASB funds because this is a gift of public funds.
23. Improper payment processing practices resulted in vendor overpayments totaling \$549.37.
24. Failure to follow proper accounting practice through validating invoice totals resulted in twenty one checks being overpaid that totaled \$750.03.

25. High risk activities were conducted at the School site in violation of District Procedure No. 5153.
26. Tickets were not properly controlled resulting in unaccounted tickets totaling \$541.00.
27. The 80% net proceeds from football games in 2010 and 2011, remitted by the school to the District, were understated by \$349.81 and \$975.70, respectively.
28. The Financial Clerk, violated district policy by giving out cash refund from the collections.
29. To avoid compliance to district policy on the restriction that limits purchases to less than \$500, a procurement card purchase was combined with the use of ASB funds.
30. The school conducted a raffle in violation of Penal Code 319 and District Procedure 2265.
31. Eleven per cent of total disbursements were not supported by required documentation; three percent (\$19,346.01) having no documentation and eight percent (\$58,296.69) not supported by original invoice.
32. Several ASB requisitions did not have the proper signatures that are required to authorize the purchase.
33. Trust/Clubs were not properly managed and controlled in violation of District Procedure No. 6240:
 - a. Approved constitutions and by-laws or statement of purpose for several trust/club accounts were not on file in the financial office.
 - b. The faculty advisors for all clubs did not complete the "Club Advisor Checklists."
 - c. The "Request for Organization of a School Club" forms were not completed.
34. There are 19 inactive trust/club accounts as of June 30, 2011 having balances totaling \$9,596.04 that require review by the Principal and the student council, as required by district procedure, to determine their need for incorporation into the ASB General Fund.
35. Three journal vouchers were not recorded in the books; as a result, account balances were not accurately presented.
36. Two non-certificated employees serve as club advisors in violation of District Procedure 6240.
37. Funds collected for Lost Book are not remitted to the district.
38. The required documentation is not prepared for refunds for "lost books."
39. Twenty three (23) student body checks were released to the payee bearing only one of the required two signatures.
40. Approval forms for non-district organizations conducting fund-raisers, as required by district procedure, were not completed.

41. Food was prepared on the premises in violation of district procedure.
42. Revenue potentials, as required by district procedure, were not prepared for any fundraising activities.
43. Eleven ASB consultant forms were not prepared as required by district procedure.
44. Competitive bids were not solicited for purchases of \$1,500 or more in violation of District Administrative Procedure No. 2435.
45. SDHS, by signing a multi-year contract, did not follow district policy that restricts contracts to the current year.
46. Sales and use tax were not reported to the district.
47. Several scholarship accounts are inactive and the criteria for granting scholarships are missing.
48. Eight students working at the student store were paid a total of \$7,900.00 in the guise of scholarships and were also paid \$880.00 for their "grad night" tickets.
49. A teacher collected monies and deposited a total \$14,600 in his own personal checking account in violation of District Administrative Procedure No. 2245 and 2235 and used unofficial supplementary receipts.

Conclusion

The Principal, as trustee, has unsatisfactorily administered the ASB operations. Based on the audit scope and results of tests performed, the ASB operations at San Diego High School disclosed very serious exceptions to administration; these exceptions showed a failure to comply to district policy and procedure designed to protect the interests of the students and integrity of the ASB. The School committed significant actions that violated district policy, procedures and the Education Code. The Financial Clerk performed an operation that concealed missing cash collections.

SDHS in an audit report dated October 10, 2002, as the first audit finding, was reported as violating district policy and procedure through the site's failure to process facilities rental through the district's rental office. The principal knowingly violated district policy and procedure and this behavior set the stage for further misconduct by successive managements to purposely violate district policy and procedure through illicit diverting of facilities rental monies to SDHS. This pattern continued until attention refocused on this practice in the spring of 2010. Following another commitment to adhere to district policy, the practice continued and to further evade district policy, administration arranged with the San Diego High School Foundation to create an account to receive monies from facilities use that would now not be known to the district nor make possible the district's monitoring of expenditures.

The School deposited District income from renting the Balboa Stadium for the use of the fields and tracks totaling \$20,487.50 from September 3, 2010 through March 28, 2011 illicitly

funneling district monies into a non-district organization checking account called San Diego High School Foundation-Athletics.

The San Diego High School Foundation-Athletics checking account was then used to pay for expenditures totaling \$25,701.82 without proper authorization. The majority of the expenditures did not have proper supporting documents.

District income from July 18, 2010 through October 6, 2011, derived from the facilities rental were commingled in the ASB, as a result, the District was not able to put to effective use the \$27,067.50, proceeds from renting the Balboa Stadium and school facilities.

The School allowed non-district organizations that are not qualified to use the School site facilities without a permit from the District's rental office, use of the facilities.


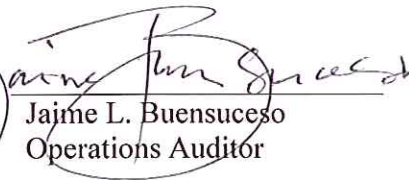

Misuse of ASB funds through inappropriate and prohibited expenditures were identified as follows:

- (1) Expenditures not for the benefit of the entire student body,
- (2) Gift cards,
- (3) Expenditures for faculty and staff,
- (4) Cash prizes,
- (5) Purchase of alcoholic beverages,
- (6) Use of ASB fund for district Expenditures,
- (7) Purchase of medicine and items for personal hygiene, and
- (8) Purchases from a district employee's business until recognized as inappropriate, the employee then recommended a vendor that used his establishment as the reported place of business, collected taxes but did not have a business license nor reported income to government entities.

Failure by the Financial Clerk to verify invoices for mathematical errors caused overpayments. Duplicate payments also occurred because an invoice was paid for the wrong amount, an invoice was submitted for payment twice and an invoice was submitted for payment to the ASB and also to the unauthorized checking account of the San Diego High School Foundation-Athletics account.

Some Student Body requisitions did not contain the signature of the authorized student officer of the organization as required by the California Education Code and School District Administrative Procedures. Appropriate supporting documentation was not maintained at the school for several of the ASB payments.

Our audit of the student body fund also disclosed a need to improve controls in several areas to ensure that all funds are accounted for, all disbursements are proper, and the staff comply with accounting and reporting requirements.

 Ines G. Abitria Operations Auditor	 Jaime L. Buensuceso Operations Auditor	 W. Stephen Carr Director, Office of Internal Audit
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Audit Findings and Recommendation

1. **The Athletic Director submitted expenses (\$590) and received payment from the 'SDHS Foundation-Athletics' account for these expenses that had already been reimbursed to him by the district.**

On 5/6/2011, the district paid the athletic director 0.8 unit of extended pay in the amount of \$725.64 to cover expenses such as mileage, meals, registration fee, and hotel accommodations for attending the Athletic Director Conference in Palm Springs. However, the athletic director still submitted his hotel accommodation of \$415.65 and registration fee of \$175.00 totaling \$590.65 to the foundation for payment. The \$590.65 was paid out of the foundation's athletic account where football field rent income was diverted.

As a result, the foundation, based on the Athletic Director having billed them, paid for expenses totaling \$590.65 that the district had already compensated.

This condition occurred because the football rent income (district funds) diverted to the 'SDHS Foundation-Athletics' account was spent without oversight and proper authorization from the district.

Recommendation

We require that the Athletic Director reimburse \$590.65 to the district.

We recommend that site administration take action according to the Collective Negotiations Contract article 34 relative to the athletic director obtaining compensation outside of the district for expenses that the district had already compensated the athletic director.

2. **The School of International Studies principal had the 'SDHS Foundation-Athletics' account used to pay for the principal's personal expenses of \$466 known to not be a permitted expenditure.**

On 5/6/2011, the Principal of Athletics attended the Athletic Director Conference in Palm Springs. The principal is not required to attend the conference but may do so provided he pays for his own expense. However, per request of the Athletic Director, the principal's registration fee of \$50.00, and hotel accommodations of \$416.65 were also paid out of the 'SDHS Foundation-Athletic' account where football field rent income was diverted.

As a result, the foundation paid for expenses totaling \$466.65 that should have been paid by the principal.

This condition occurred because the football rent income (district funds) diverted to 'SDHS Foundation-Athletics' account was spent without oversight and proper authorization from the district.

Recommendation

We require the principal reimburse \$466.65 to the district.

We recommend that site administration take action according to the Collective Negotiations Contract article 34 relative to the Athletic Director's illegal request for payment and the Principal's false billings.

3. **The 'SDHS Foundation-Athletics' account was used to pay the Financial Clerk \$500.00 for his services already paid by the district.**

On 2/16/11, based on an invoice prepared by the Financial Clerk, the foundation paid him \$500.00 as payment for athletic assistance (bus scheduling, time & labor, coaches hiring, event workers scheduling). The \$500.00 was paid out of the 'SDHS Foundation-Athletic' account where football field rent income was diverted.

We noted that the services paid by the foundation are the same services performed by the financial clerk in his regular course of employment that have already been paid through his wages.

- **District Administrative Procedure No. 7035, section C.2.a. States, "Employee shall not engage in any outside employment, activity, or enterprise for compensation which is inconsistent, incompatible or in conflict with his/her duties with the school district. For example:**
 - (1) **Use of school district time, facilities, equipment, supplies, prestige or influence in a manner clearly for private gain or advantage.**
 - (2) **Receipt or acceptance of money or other consideration from other than the district for an activity which employee is expected to render in the regular course or hours of his/her employment with the district.**

This condition occurred because the football rent income (district funds) diverted to 'SDHS Foundation-Athletics' account was spent without oversight and proper authorization from the district.

Recommendation

Intervention against a staff member is required. Following District Procedure 7570 D.1., the principal, as manager of the staff in this instance, is required to take action appropriate to this audit finding in accordance with assigned managerial duties. The Human Resources Department and the Legal Services Office are available for support when proceeding with an appropriate course of action.

We require the financial clerk reimburse \$500.00 to the district.

4. Seventeen (17) yearbooks were not accounted having a value totaling \$1,445.00.

Analysis of yearbook sales for school year 2010/2011 revealed seventeen (17) yearbooks were not accounted for totaling \$1,445.00 computed as follows:

Total number of yearbooks received by site		420
Less: Number of yearbooks sold per books:		
Total yearbooks sales recorded in the books	\$38,781.67	
Less: Items not representing yearbook sales		
Lifetouch fund	\$3,210.00	
Yearbook refund	1,059.00	
Foundation – Football pictures	257.67	4,526.67
Total yearbook sales – adjusted	\$34,255.00	
Divided by sale price	\$85.00	403
Total number of yearbooks not accounted		<u>17</u>
Multiply by selling price		<u>\$85.00</u>
Total amount of yearbooks sales not accounted		<u>\$1,445.00</u>

This represents a loss due to unaccounted potential revenues.

Recommendation

We require that sales of yearbook must be reconciled with the total quantity of yearbooks sold and any discrepancy shall be investigated and explained in writing by the staff in charge.

5. Merchandise inventory of PE clothes were not taken every year as required by district procedures.

For several years the school had not taken an annual inventory of PE clothes as required by district procedures. Without inventory records reflecting beginning inventory, additional purchases and reported sales, an accounting of income relative to sales cannot be performed. There were reported cash sales of \$9,556.00 that cannot be reconciled to inventory.

As a result, the ASB is exposed to a high risk of loss of funds since there is no method to determine whether income represented all sales or if unrecorded sales of PE clothes happened.

At each school year’s end, the Finance Department sends a “Year End” memo to all school sites advising the Financial Clerks on how to have timely and proper closing of the ASB books. Included in the memo was an instruction to take the annual inventory of all merchandise on hand purchased for resale.

Recommendation

We require that administration institute a practice that at close of every school year, each student body activity shall take an inventory of all merchandise on hand purchased for resale.

Cash sales recorded in the books must be reconciled with the actual quantities of sold PE clothes and any discrepancy must be investigated and explained in writing by the staff in charge.

6. The audit identified \$100.00 in missing collections and the received funds were not applied to any account.

We compared the total cash collections on January 13, 2011 against the total collections deposited in the bank, to determine that all collections are deposited intact. Our comparison revealed that cash collection of \$100.00 was not deposited and not recorded as follows:

Collections per cash register receipts (30159-30176)	\$15,707.67
Check collection not receipted and not recorded	<u>100.00</u>
Actual Total Collections	\$15,807.67
Less: Total amount deposited in the bank, January 18, 2011	(15,706.67)
Less: Cash collection shortage	<u>(1.00)</u>
Total amount not deposited, not receipted and not recorded	<u>\$ 100.00</u>

The check was not receipted and not recorded but was included in the deposit to the bank.

- **District Administrative Procedure No. 2235, states “School shall issue receipts for all money collected.”**
- **District administrative Procedure No. 2245, states “All money collected during one day, prior to time of deposit, is prepared for deposit intact; personal checks may not be cashed from these funds”.**

“Cash collected by the student body shall not be used for payments of any sort; payment shall be by ASB check only.”

As a result, there is an unaccounted collection of \$100.00.

Recommendations

Intervention against a staff member is required. The principal, as manager of the staff in this instance, is required to take action appropriate to this audit finding in accordance with assigned managerial duties. The Human Resources Department and the Legal Services Office are available for support when proceeding with an appropriate course of action.

The Financial Clerk must reimburse the total amount of \$100.00 to be credited to the Football Club account.

The following series of findings - 7 thru 10 - identify several years of continuous violation of district policy and procedure on facility rental, abuse of authority, misuse and prohibited use of funds – happened following a 2002 audit that identified this practice as a violation.

7. The SDHS principal for the period May 2005 through July 2008 in violation of district policy and procedure misappropriated \$123,570 in facilities rentals from the district, diverting the monies to SDHS ASB after, as ASB Advisor, being instructed in a 2002 audit report that this practice was prohibited.

A successor principal continued the practice for 2008/2009 receiving identified amounts of \$29,175.00.

The 2002 audit reported:

“Our audit revealed that rent income received from Balboa Stadium totaling \$51,396.90 from June 1998 through June 2002, was deposited into the SDHS Facilities trust account in the ASB books instead of depositing it to the district’s established Balboa Stadium Restricted “XY” fund.

In addition, rent income from other San Diego High School facilities for the period June 1998 through June 2002 totaling \$13,936.82 was also deposited into the SDHS Facilities trust account in the ASB books instead of depositing to the district.”

The 2002 audit recommendation:

“In addition, all future facilities rental income should not be deposited in the ASB account instead it should be deposited to the district.”

Successive administrations following the 2002 audit ignored the district requirement and continued the misuse of facility rental income.

Recommendation

These actions are a violation of managerial responsibility. Intervention against staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

8. The Balboa Stadium was rented to non-district organizations without a permit, and rent income from July 2009 to August 2010, totaling \$21,956.25 was deposited in the ASB instead of depositing it through the district.

Income from renting the Balboa Stadium from July 2009 to August 2010, totaling \$21,956.25 was deposited in the ASB trust account instead of depositing it through the district as follows:

VAVI Sport and Social Club	\$14,906.25
St. Augustine High School	4,050.00
Nomads Soccer	2,500.00
San Diego Tennis Federation	500.00
Total	<u>\$21,956.25</u>

- **District Administrative Procedure No. 9229, states “Non-district organizations wishing to use district fields must submit a Rental Request Form for such use and receive an approved Civic Center Use Permit. Fees, if applicable, will be charged in accordance with the current board-adopted Civic Center Rate Schedule for free use, direct cost recovery use, fair rental value use or commercial use.”**

Note: This was an exception during the previous audit.

Recommendation

These actions are a violation of managerial responsibility over successive administrations. Intervention against staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

The 2011/2012 reorganization of SDHS Campus resulted in a changed principal assignment having governance of ASB and an enforcement of district policy and procedure.

Non-district organizations wishing to use district fields must have an approved Civic Center Use Permit and all fees for field use must be deposited in the district.

9. **Part of the income (\$7,662.68) from the rent of the Balboa Stadium from July 1, 2009 to June 30, 2010, was transferred to two trust accounts under the discretion of the Athletic Director which was later used to pay for his personal expenses and expenses that benefited the faculty.**

From 8/11/09 to 5/18/10, \$7,662.68 or 35% of \$21,956.25 was transferred to two trust accounts under the discretionary use of the Athletic Director as follows:

<u>Account Title</u>	<u>Amount</u>
2200 – Athletic	\$5,662.68
2219 – Athletic Banquet	<u>2,000.00</u>
Total	<u>\$7,662.68</u>

The review of expenses charged to the trust accounts under the discretion of the Athletic Director included expenses which are considered personal expenses and expenses that benefit the faculty as follows:

- (a) **Airline ticket, hotel bills, and meals totaling \$1,411.94.**

On January 16 and 17, 2010, the Girls Basketball team participated in a basketball tournament at Las Vegas, Nevada. This is a basketball tournament not funded by the district.

- **District Administrative Procedure No. 4587 states, “No expenses of students participating in a field trip to any other state or the District of Columbia shall be paid with school district funds. Students and parents must take the major**

responsibility for funding support.”

- **District Administrative Procedure No. 4587 states, “A written agreement whereby instructor and voluntary supervisors contribute their services and time outside the regular school day without pay or reimbursement of expenses by the district when supervising participating students.”**

However, the Athletic Director submitted reimbursement for his travel expenses such as airfare, hotel accommodations, and meals in Las Vegas, Nevada from January 15 -17, 2010, as follows:

Date	Check #	Description	Amount
01/20/2010	4677	Meals – Basketball Team in Las Vegas	\$552.18
01/20/2010	4679	Airline Ticket to Las Vegas	353.40
01/20/2010	4678	Hotel Bill in Las Vegas (2 adults)	
		1/15/10 – Room charge	111.30
		1/15/10 – Room service	48.45
		1/15/10 – Room revenue	7.84
		1/15/10 – Tax	13.36
		1/16/10 – Room charge	125.30
		1/16/10 – Room service	56.71
		1/16/10 – Mr. Lucky’s 24/7	62.38
		1/16/10 – Room revenue	7.84
		1/16/10 – Tax	15.04
01/20/2010	4676	Meals in Las Vegas & San Diego airport	58.14
		Total travel expenses	\$1,411.94

(b) Individual membership fees to the following organizations totaling \$980.00.

Date	Check #	Description	Amount
11/13/2009	4353	Symposium registration fee – Athletic Director	\$50.00
09/17/2010	5665	Membership fee to HSAA – Athletic Director	35.00
09/17/2010	5666	Membership fee to CSADA – Athletic Director	40.00
09/17/2010	5667	Membership fee to NFF – Athletic Director	40.00
02/16/2011	6449	Membership fee to NFHS – Athletic Director	35.00
		Total membership fee for Athletic Director	\$200.00

Date	Check #	Description	Amount
01/08/2010	4614	Membership fee to CCA for all coaches	\$500.00
09/17/2010	5672	Membership fee to CCA for 28 coaches	280.00
		Total membership fee for coaches	\$780.00

(c) Meals for coaches meeting totaling \$136.40.

Date	Check #	Description	Amount
09/14/2009	4095	Coaches meeting lunch	\$38.40
09/02/2010	5591	Food coaches meeting	98.00
		Total meals for coaches	\$136.40

(d) Athletic Banquet in the amount of \$357.08.

On 5/26/2010, the school had a banquet attended by the members of the faculty. The total cost of the banquet was \$1,357.08 that was funded by a donation of \$1,000.00 from San Diego High Foundation, and the difference of \$357.08 came from rental income of Balboa Stadium that was transferred to a trust account under the discretion of the Athletic Director.

- **District Administrative Procedure No. 2518, states that dinners for activities and/or meetings that involve district employees only are prohibited and will not be reimbursed. The approving manager will be held personally responsible for expenses.**

Recommendation

The Athletic Director must reimburse the district for personal expenses totaling \$1,611.94 as follows:

Travel expenses to Las Vegas, Nevada in January 2010	\$1,411.94
Individual membership fees	<u>200.00</u>
Total	<u>\$1,611.94</u>

Individual membership fees totaling \$780.00 must be collected from the respective coaches.

The banquet expenses that exceeded the \$1,000.00 donation from the foundation in the amount of \$357.08, and meal for coaches in the amount of \$136.40 must be collected from the administrator that approved the banquet and meal expenditures, respectively.

- 10. The Athletic Director continued renting the Balboa Stadium without a permit to non-district organizations, from September 2010 to March 2011, totaling \$27,987.50, despite being advised by the rental office to stop the practice, and to prevent oversight and expenditure monitoring, diverted the rental income from the district to the San Diego High School Foundation.**

In previous years, the school rented the Balboa Stadium to non-district organizations without a permit, and rent income was not remitted to the district. (See finding #7 and 8.) This action was further compounded in 2010/2011 when athletics, administered by the Athletic Director and Principal of Athletics, created an account that was outside the district and funded the account with monies due the district, placing the knowledge of and ability to review revenues and expenditures outside the district's control.

In May 2010, the rental office advised the Athletic Director that rental of school facilities should be run through the rental office. Non-district organizations who wish to use the school facilities need to obtain a permit from the rental office and pay the rent fee.

In September 2010, the SDHS Foundation opened a bank account called 'SDHS Foundation-Athletics'. According to the foundation treasurer, the account was opened so that organizations can make a deductible contribution in their income tax returns.

We were not able to determine the individual who approached the foundation to establish an account for SDHS athletic programs since foundation administrators reported that the foundation officer who had that information died on 3/7/12. However, the foundation treasurer stated, the individuals whom he normally transacts business with in connection to the athletic account are the Athletic Director and the Financial Clerk.

When asked, the Financial Clerk said that he did not know who requested the foundation to establish the athletic account. However, he stated that he spoke with the Athletic Director in passing about a form that the Athletic Director asked about giving to an organization in order to write off the donations on their taxes. The Financial Clerk told the Athletic Director, that “I was not aware of any form or letter and suggested that the organization talk to the foundation because they were set up for just that purpose.”

We noted that all financial transactions in the athletic account of the foundation originated from the SDHS financial office. The Financial Clerk sent the checks to the foundation for deposit as well as the invoices for payment. The Financial Clerk sent memos to the foundation confirming every deposit made in the athletic account and reimbursement for expenses. A copy of each memo was also sent to the Athletic Director.

From September 2010 to March 2011, the total deposits made to ‘SDHS Foundation-Athletics’ account equaled to \$27,987.50, and the total expenses equaled to \$25,701.82, having a balance of \$2,285.68 as of June 30, 2011. (Attachment I)

There were no deposits and withdrawals from June 30, 2011 in this account until closing it in March 2012. The check payable to SDUSD in the amount of \$2,285.68 was given to the school principal on 3/13/2012 by the foundation was remitted to the district on 3/26/2012.

The majority of the checks deposited in the foundation’s account came from organizations that had used the Balboa Stadium in the past and paid rent for its use such as VAVI, San Diego Soccer Partner, St. Augustine High School, Flight Action Sport, Balboa Youth totaling \$20,487.50, broken down as follows:

Donor	Amount	Program Support
VAVI	\$4,937.50	Track/Football
VAVI	3,875.00	Football
VAVI	2,750.00	Football
VAVI	2,562.50	Football
VAVI	2,312.50	Football
Flight Action Sport	1,550.00	Football
St. Augustine High School	1,000.00	Football
SD Soccer Partner	1,000.00	Football
Balboa Youth	500.00	Football
Total	\$20,487.50	

Based on previous business transactions with the above organizations, and statements on monies as being for field rental, we believe the deposits made in the ‘SDHS Foundation-Athletics’ account totaling \$20,487.50 were not donations but payment for the use of the Balboa Stadium, and was done to avoid obtaining a permit, and to continue controlling the use of the funds for whatever purpose without oversight and proper authorization.

As a result, rent income diverted to the 'SDHS Foundation-Athletics' account (an account independent of the ASB) was used inappropriately. (See findings #1, #2, #3, #13, #14, #15)

Recommendation

We recommend that site administration take action according to the Collective Negotiations Contract article 34 relative to the teacher, and refusal to obey reasonable regulations prescribed by the governing board of the school district.

11. The basketball team trip to Las Vegas did not have approval of the Board of Education.

- **District Administrative Procedure no. 4587 states, "Secondary multi-day field trips to other states or foreign countries. Approval of specific requests for such educational field trips by school-related social, educational, cultural, athletic, or school band organizations may be granted by the Board of Education upon fulfillment of all of the following condition:**

An "Application for Approval to Conduct Multi-Day and/or Out-of-State/Country Field Trip" must be submitted with a written itinerary attached (Field Trip Planning Packet-Multi Day)."

As a result, the District was exposed to civil and financial liability due to lack of the following:

- (a) Execution and submission of a statement of waiver acceptable to the general counsel that exempts the district from financial responsibility and specifies that public funds for other than salary monies will not be utilized in conduct of the trip.
- (b) Written assurance that all adults, and parents or guardians of all minors participating in the field trip, have or will execute written acknowledgement of waiver of liability in a form acceptable to the general counsel.
- (c) Financial assurances in a form acceptable to the principal for coverage of all expenses while outside of San Diego. This includes plane fares, ground transportation, hotels, tours, and meals.
- (d) A written agreement whereby instructor and voluntary supervisors contribute their services and time outside the regular school day without pay or reimbursement of expenses by the district when supervising participating students.

Recommendation

We require that multi-day field trips to other states and foreign countries must be approved by the Board of Education.

We recommend that the Area Superintendent implement processes to assure principal adherence to district policy and procedure.

12. **The Financial Clerk paid \$2,455.24 to All Star Designs based on a questionable invoice.**

On 9/7/10, the Financial Clerk paid \$2,455.24 (Total invoice amount of \$8,748.56 less deposit of \$6,293.32) to All Star Designs based on a questionable invoice. The football coach submitted the invoice for payment and was approved by the Athletic Director and the Principal of Science and Technology. We believed the invoice was questionable based on the following:

- a. The explanation for payment indicated on the requisition was payment of remaining balance for football player clothing, though this was the first payment made to All Star Designs.
- b. The ASB did not have a record of the advance payment (deposit) made to the vendor totaling \$6,293.32 stated on the invoice. The Financial Clerk could not explain how it was paid.
- c. The invoice was paid on 9/7/10, one year and five months after 5/27/2009, the date of the invoice.
- d. Included in the invoice was a charge for "Catering for Banquet" in the amount of \$840.00, a food service that is not compatible with the All Star Designs business of selling t-shirts, uniforms, and banners.

Recommendation

We require that school must not transact business with this vendor immediately.

The Area Superintendent should consult Human Resources and Legal Services to determine the appropriate actions that should be done to the individuals involved in submitting, processing, and approving payment of this billing.

13. **The 'SDHS Foundation-Athletics' account was used to pay for prohibited purchases totaling \$2,033.21.**

The Financial Clerk submitted to the foundation reimbursement in the amount of \$600.00 for food served at the Football Award's Dinner in January 2011, and in May 2011, submitted for an Athletic Awards Dinner for coaches in the amount of \$1,433.21. The food expense totaling \$2,033.21 was paid out of the 'SDHS Foundation-Athletics' account where football field rent income was diverted.

- **District procedure no. 2518, section C.6. States, "Expenses for the following are prohibited and will not be reimbursed. The approving manager will be held personally responsible for expenses.**
 - a. **Activities identified in C.4. without prior approval of appropriate site/department head.**

- b. **Dinner for activities and/or meetings that involve district employees only.**
- c. **Food for meetings and/or activities sponsored by students of the district on their behalf. These expenses may be paid under the Associated Student Body guidelines.”**

This condition occurred because the football rent income (district funds) diverted to the ‘SDHS Foundation-Athletics’ account was spent without oversight and proper authorization from the district.

Recommendation

Intervention against a staff member is required. The Area Superintendent, as manager of the staff in this instance, is required to take action appropriate to this audit finding in accordance with assigned managerial duties. The Human Resources Department and the Legal Services Office are available for support when proceeding with an appropriate course of action.

We recommend that the individual who approved the above events should be held personally responsible for expenses. The \$600 was approved by the LEADS principal documentation was not available for determining who approved the \$1,433.21.

14. The ‘SDHS Foundation-Athletics’ account was used to pay for restricted expenditures totaling \$800.00.

On September 14, 2010, the Finance Division issued “2010-11 Spending Guidelines” related to spending, as follows:

Travel Restrictions

- a. All travel outside the district is discouraged unless required by regulation, financial interest of district (i.e., bond meetings, legislative business), the board or superintendent.
- b. Travel for professional development purposes should be approved by the appropriate deputy superintendent.
- c. Attendees to any meeting outside the district should be kept to only one or two key people.
- d. An exception could be:
 - i) If professional development is mandated by program improvement status or is required by a grant.
 - ii) If travel is related to parent involvement activities.

However, in February 2011, eight coaches from SDHS attended the Coach of the Year Football Clinic in Las Vegas, Nevada. The registration fee in the amount of \$800.00 was

paid out of the 'SDHS Foundation-Athletics' account where football field rent income was diverted.

This condition occurred because the football rent income (district funds) diverted to 'SDHS Foundation-Athletics' account was spent without oversight and proper authorization from the district.

Recommendation

Intervention against the staff member arranging this trip is required. The Area Superintendent, as manager of the staff in this instance, is required to take action appropriate to this audit finding in accordance with assigned managerial duties. The Human Resources Department and the Legal Services Office are available for support when proceeding with an appropriate course of action.

We recommend that registration fees of \$800.00 should be collected from the eight coaches. Each coach should reimburse \$100.00 to the district.

15. The 'SDHS Foundation-Athletics' account was used to pay several expenses without supporting documents totaling \$15,508.32.

From January to June 2011, the 'SDHS Foundation-Athletics' account' paid several vendors without supporting documentation totaling \$15,508.32, as follows:

Date	Check	Payee	Description	Amount
01/19/11	2551	Chen Woods Catering	Football Awards Banquet	\$600.00
01/19/11	2552	Coach of the Year Clinic	Registration fee for 8 coaches	800.00
03/14/11	2557	A & B Sporting Goods	Track Hurdles & Equipment	1,100.05
03/14/11	2558	Locker tags	Football Gear Bags	1,095.00
03/14/11	2559	All Star Design	Track Warm Ups	1,915.14
03/14/11	2560	All Star Design	Track Uniforms	1,617.61
03/14/11	2561	Brand Athletics	Football Shoes	560.16
03/14/11	2562	M-F Athletics	Track Equipment	603.58
04/29/11	2568	A & B Sporting Goods	Flags, Cleats	63.07
05/03/11	2570	Renaissance Hotel	Coaching Conference	416.65
05/16/11	2572	Diamond Fitness Systems	Athletics	893.82
05/25/11	2573	All Star Design	Tracks T's, Coaches Polos	1,800.03
05/25/11	2574	Ranch Catering	Athletics Awards Dinner	1,433.21
06/16/11	2575	A & B Sporting Goods	Football – Pop Up Bags	2,610.00
			Total	\$15,508.32

We were not able to determine the reasonableness, nor identify the goods, or if goods were received for physical orders for the above expenditures due to lack of verifiable documents.

Recommendation

The Principal is to assure that expenditures comply with Education Code, district procedure and the spirit of the purpose for ASB.

For internal control purposes, we require that expenditures must be supported by original invoices or receipts

16. The rental from the Balboa Stadium and school facilities totaling \$27,067.50 for the period July 18, 2010 through October 6, 2011 were commingled in the ASB trust accounts for various athletics account.

District income collected from renting the Balboa Stadium and School facilities totaling \$19,792.50 for fiscal year 2010-2011 and \$7,275.00 for the period July 1, 2011 through October 6, 2011, were commingled in the ASB trust accounts instead of depositing through the district.

Specifically, we noted the following:

Organizations	Facility Usage	Account Posted To	Total Fees
California State Games	Field	2213 Football	\$3,500.00
Kirby Noonan Lance & Hoge LLP	Gym	2204 Basketball/Boys	1,500.00
Madison High School	Field	2213 Football	500.00
National Youth Sports League	Stadium	2213 Football	2,500.00
San Diego Adult Baseball League	Field	2203 Baseball	3,300.00
San Diego Adult Basketball League	Gym	2203 Baseball	500.00
San Diego Balboa Youth Football & Cheer	Field	2213 Football	500.00
SD Soccer Partner	Field	2213 Football	2,155.00
Triton Club Baseball	Field	2203 Baseball	900.00
University of San Diego	Field	2203 Baseball	1,650.00
VAVI, Inc.	Field	2213 Football	7,062.50
Vietnam Veterans of SD	Field	2203 Baseball	3,000.00
Total District Income from Facility Usage			\$27,067.50

- District Administrative Procedure No. 9229, states “Non-district organizations wishing to use district fields must submit a Rental Request Form for such use and receive an approved Civic Center Use Permit. Fees, if applicable, will be charged in accordance with the current board-adopted Civic Center Rate Schedule for free use, direct cost recovery use, fair rental value use or commercial use.”

Note: This was an exception during the previous audit.

Recommendation

These actions are a violation of managerial responsibility. Intervention against staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

District income derived from rentals of facilities is to be deposited into the district and not the ASB account. District funds are not to be commingled in the ASB account.

17. In fiscal year 2010-2011, the school continued to allow non-district organizations that are not qualified to use the School site facilities without a permit from the District's Rental Office-use of the facilities.

Facilities Services provided copies of the permits of the organizations using San Diego High School facilities and found that no permits were issued for all of the above organizations listed in finding number 16. The School failed to direct requests to the District's Rental Office.

- District Administrative Procedure No. 9205 states "Use before 5 p.m. after school is out by groups not approved for free use or use after 5 p.m. on days when school is in session and any time on days when school is not in session by all groups: Directs requests to the Rentals Office."
- District Administrative Procedure No. 9207 states "The rental's office will review the application to ensure that it is complete and all necessary approvals have been obtained. Upon receipt of an approved application and advanced payment in full, the rentals office will issue a permit for the use of the school site."

Note: This was an exception during the previous audit.

Recommendation

Requests by organizations are to be directed to the Rentals Office, Facilities Services Department.

18. A teacher sold various sporting goods to the school in violation of district procedure no. 2225 and no. 2415.

We noted that from 2/17/05 to 3/18/09, a teacher through his business sold miscellaneous sport's supplies such as uniforms, jackets, t-shirts, sweatshirts, etc. to the school totaling \$29,186.07.

The previous school site administrator advised him to cease doing business with the school district because it is a conflict of interest and in violation of district procedure 2225 and 2415.

- District Administrative Procedure No. 2225, section C.6.h. states, "Items sold by employees. Student body funds may not be used to purchase items sold by district employees."
- District Administrative Procedure No. 2415, section C.4.c. states, "Prohibited Purchases. Certain purchases (listed below) are prohibited by law and/or district procedures. Requisitions for unauthorized materials or services already received will be canceled and returned to the originating office. Payment for such orders will be the responsibility of the management employee authorizing the purchase."
 - c. Items sold by an employee or employee's immediate family."

However, in February 2011, the school purchased 5 “Hoodies” from the teacher’s business in the amount of \$192.06. This was paid by the financial clerk who knew that purchasing items from the business owned by the teacher is prohibited.

The Financial Clerk explained that it was ordered by mistake. Since the items had been delivered, the principal of Science and Technology approved the purchase with the instruction that it should not happen again.

Recommendation

We recommend that site administrator who approved the purchase should be held personally responsible and reimburse the school the amount of \$192.06.

- 19. The teacher who sold various sporting goods to the ASB introduced a vendor, “All Star Designs” to the school who did not have a business license, and acted like an agent for the vendor.**

A year and a half after the teacher was advised not to transact business with the school; he introduced a vendor to the school that supplies the same items that he had supplied. The vendor’s address, phone and fax number are the same as the teacher’s business, and the invoice except for the name is the same in form. There were several occasions when the teacher took orders from the staff and delivered the items to the school.

The teacher explained that the vendor is a renter in his place of business, and took the ordering and delivering of goods for convenience. He is doing it for the vendor, a friend and stated that the vendor had a business license.

The vendor confirmed that he is renting space in the place of business of the teacher. He also confirmed that he did not have a business license and did not file tax returns for his business. The vendor did collect sales tax on all purchases. The teacher did receive benefit in deriving income from providing use of space.

From 9/7/10 to 3/21/12, the ASB made purchases from this vendor totaling \$28,543.25.

Recommendation

We require that the school must not transact business with any vendor that does not have a legitimate business.

- 20. Misuse of student body funds through inappropriate and prohibited expenditures was found totaling \$7,460.52.**

Our review of the disbursement from July 1, 2010 through June 30, 2011, revealed several expenditures totaling \$7,142.20 that were inappropriate use of student body funds and prohibited purchases totaling \$318.32.

Specifically, we noted the following inappropriate expenditures:

Inappropriate Expenditures	Total Amount
Expenditures not for the benefit of the entire student body	\$3,525.19
Gift Cards	1,939.70
Cash prizes	925.00
Expenditures for the benefit of the Faculty and Staff	591.39
District Expense – Desk glass cover	160.92
Medicine and personal hygiene (prohibited)	185.71
Alcohol (prohibited)	132.61
Total Inappropriate Expenditures	\$7,460.52

- **District Administrative Procedure No. 2225 Section C.6.a. “Expending funds. Student body general funds shall be expended only for purposes that benefit the entire student body.”**
- **District Administrative Procedure No. 2225 states “Expenditures for faculty. Under no conditions shall student body money be expended for the benefit of faculty.”**
- **District Administrative Procedure No. 2225 states “Medicines. Purchase of medicine with student body funds is prohibited.”**
- **District Administrative Procedure No. 2518 C.6. “Expenses for the following are prohibited and will not be reimbursed. The approving manager will be held personally responsible for expenses.g. Alcoholic beverages.”**
- **California Education Code Section 32435 states “(a) No school district, county board of education, or county superintendent of schools shall expend any public funds on the purchase of alcoholic beverages. (b) If an employee of a school district or county educational agency requests and is erroneously granted a reimbursement for the purchase of alcoholic beverages in violation of subdivision (a) of this section, the employee may refund the reimbursement.”**

Student body funds should only be used for non-curricular activities and for purposes that benefit the entire student body and under no condition shall student body funds be used for the benefit of the faculty.

Gift cards are not an allowable use of ASB funds because they are a gift of public funds. ASB funds must not be used to purchase gift cards regardless of the intent for use.

Cash awards are not to be given to anyone because internal controls cannot be established and documented for that type of award.

Recommendation

The Area Superintendent should institute oversight to assure that expenditures comply with Education Code, district procedure and the spirit of the purpose for ASB.

The Principal creates a practice advising staff of the requirement to not purchase gift cards with any district or ASB funds and to not purchase any prohibited items.

The principal of Science and Technology as the Approving Manager for the alcoholic beverages purchased is to refund the total amount of \$132.61 to the following accounts:

- 2203 Baseball account - \$120.00
- 2213 Football account - \$12.61

The Area Superintendent is to take action appropriate to this audit finding in accordance with assigned managerial duties. The Human Resources Department and the Legal Services Office are available for support when proceeding with an appropriate course of action.

21. Student body funds totaling \$5,430.00 were used to pay for salaries instead of paying through the District's payroll system.

- a. Our review of the disbursements revealed that ASB funds were used to pay a retired district employee as a consultant for field maintenance on the baseball field for \$400.00 and a district employee was paid a stipend as a coach in the amount of \$500.00 as follows:

Date	Check No.	Account	Amount	Employee
09/23/2010	5696	2203 Baseball	\$400.00	Retired
01/13/2011	6243	2222 Golf	500.00	Current
		Total	\$900.00	

As a retired employee and a current district employee, any payments are to be paid through the District's payroll system.

- **District Administrative Procedure No. 1550 states "Retired district employees must be regarded as "employees" and processed through the Payroll Unit, and the payroll system."**
- **District Administrative Procedure No. 1550 states "Current employees of the district may not be retained as professional consultants, resource persons, or student service providers."**

- b. The school also used the ASB funds to pay four individuals totaling \$4,530.00 for services performed as a tutor, teaching band classes and a percussion instructor as follows:

Date	Check No.	Account	Amount	Type of Service
01/14/2011	6270	2350 IS Donation	\$500.00	Tutorial for students
01/19/2011	6283	2405 Music	2,050.00	Teaching beginning and advanced band classes
01/24/2011	6303	2405 Music	980.00	Teaching beginning and advanced band classes
03/02/2011	6525	2405 Music	350.00	Percussion instructor
05/03/2011	6850	2453 MVPA - Music/Mariachi	200.00	Percussion instructor
06/10/2011	7133	2405 Music	450.00	Percussion instructor
		Total	\$4,530.00	

Tutors and specialty teachers, artist in residence are classified as employees by the Internal Revenue Service; as such are to be paid through the District's payroll system.

Recommendation

Administrator is to ensure that a person is not retained as a professional consultant, resource person, or student service provider if an employer-employee relationship exists. If such a relationship exists, payment for that person is to be processed through the District's payroll system.

- 22. The School made donations to various organizations totaling \$1,071.74. This is an inappropriate use of ASB funds because this is a gift of public funds.**

During our audit of the disbursement, we noted that the School made various donations using the student body fund as follows:

Organization	Amount
City of Hope	\$134.25
Gift for Adopt-a-Family	136.49
CMN donation	1.00
Muscular Dystrophy Association	800.00
Total Donations	\$1,071.74

Donations to nonprofit organizations, students or families in need are generally not allowable because they are considered a gift of public funds.

Recommendation

Administrator is to ensure that ASB funds are not to be used for charitable purposes unless a specific fundraiser is conducted for that purpose.

- 23. Improper payment processing practices resulted in vendor overpayments totaling \$549.37.**

Our review of the disbursements for the period July 1, 2010 through June 30, 2011 revealed that three vendors were paid twice. Duplicate payments were made to the following vendors:

- a. K.T.L. Company, a vendor used by the school to purchase products sold at the student store, was paid twice as follows:

Date	Check No.	Vendor	Amount
09/27/2010	5715	K.T.L. Company	\$454.60
11/15/2010	5957	K.T.L. Company	\$454.60

The duplicate payments happened because the Financial Clerk did not verify the amount of the invoice attached to the second ASB requisition for check no. 5957. The ASB requisition and the invoice attached to the requisition were for a different amount.

- b. NIAAA was paid twice using two different checking accounts as follows:

Date	Check No.	Check Issued From	Vendor	Amount
03/02/2011	6524	ASB check	NIAAA-Membership Fee	\$60.00
03/26/2011	2563	SDHS Foundation-Athletics check	NIAAA-Athletic Director Membership Renewal	\$60.00

The duplicate payments happened because the Athletic Director submitted a student body requisition to ASB to pay NIAAA and again submitted a separate request to the 'SDHS Foundation-Athletics' checking account (a non-district organization).

- c. Subscription to Men's Health magazine was paid twice as follows:

Date	Check No.	Vendor	Amount
02/09/2011	6425	Men's Health	\$34.77
03/16/2011	6624	Men's Health	\$34.77

The duplicate payment occurred because subscription notices for the same items were submitted for payment twice by the Athletic Director on two different student body requisitions.

The Financial Clerk did not pay on original receipts or invoices, matching to proper documentation before disbursements and the site administrator did not adequately review supporting documentation for completeness and propriety before attaching their signature on the check.

Recommendation

The Financial Clerk is to follow the accounting procedures of paying only on original receipts to prevent duplicate payments.

The Financial Clerk is to ensure that proper documentation for disbursements exists before issuing a check and the site administrator should adequately review supporting documentation for completeness and propriety before attaching their signature on the check.

Also, the Financial Clerk is to collect the duplicate payment from K.T.L. Company in the amount of \$454.60 and \$60.00 from NIAAA.

24. Failure to follow proper accounting practice through validating invoice totals resulted in twenty one checks being overpaid that totaled \$750.03.

Our review of the disbursements from July 1, 2010 through June 30, 2011 revealed that twenty one checks issued had overpayments totaling \$750.03.

Specifically, we noted the following:

Date	Check No.	Paid	Should be	Over Payment
09/17/2010	5674	\$4,211.14	\$4,210.06	\$1.08
10/05/2010	5732	81.00	80.85	0.15
10/28/2010	5847	393.85	310.17	83.68
11/08/2010	5895	197.00	195.00	2.00
11/15/2010	5934	57.80	49.59	8.21
12/01/2010	6008	1,071.54	1062.40	9.14
12/08/2010	6054	413.01	382.26	30.75
12/16/2010	6099	2,003.30	1,959.30	44.00
01/18/2011	6272	189.04	188.79	0.25
01/25/2011	6317	5,215.85	5212.50	3.35
01/26/2011	6329	57.50	51.50	6.00
02/16/2011	6456	262.20	256.20	6.00
03/01/2011	6513	3,049.00	2,743.00	306.00
03/16/2011	6631	36.58	33.16	3.42
04/26/2011	6802	172.15	50.35	121.80
05/09/2011	6868	38.96	34.10	4.86
05/10/2011	6904	643.91	627.82	16.09
05/10/2011	6912	91.74	88.88	2.86
05/19/2011	6988	300.05	283.77	16.28
05/24/2011	7019	1,299.63	1,297.10	2.53
06/06/2011	7094	1,369.74	1,288.16	81.58
Total Overpayments		\$21,154.99	\$20,404.96	\$750.03

The overpayments occurred because the Financial Clerk failed to verify the amount submitted for reimbursement and did not verify the mathematical calculations of the invoice. As a result, employees were over reimbursed and vendors were overpaid.

ASB Requisitions and invoices or receipts received for payments are to be reviewed for mathematical calculation before checks are written.

Recommendation

The Financial Clerk needs to collect from the employees and vendors who were overpaid and deposit the money back to the appropriate accounts. The Financial Clerk also needs to review invoices or receipts for mathematical errors and amounts before payment.

25. High risk activities were conducted at the School site in violation of District Procedure No. 5153.

The School had fireworks during homecoming and rented a mechanical bull and Quad Pro 4 Jumps during world fair activities in violation of District Procedure 5153.

High Risk Activities	Amount
Fireworks for Homecoming	2,000.00
Rental of Mechanical Bull and Quad Pro 4 Jump-high-risk activities	1,376.50

- District Administrative Procedure No. 5153 states “Bonfires and fireworks are not permitted on the school grounds.”
- District Administrative Procedure No. 5153 states “Safety Precautions. The use of astrojumps, large inflatable slides, trampolines or any other rebounding or inflatable devices is prohibited on district property. All other recreational equipment must be approved by risk Management on a case by case basis.”

Recommendation

Administration is to adhere to district policy and institute practices to assure compliance to district policy. In particular events, administration is to consult with the District’s Risk Management Unit before any high risk activities are allowed on district property.

26. Tickets were not properly controlled resulting in unaccounted tickets totaling \$541.00.

The analysis of the tickets sold from football and basketball games in school year 2010/2011 revealed that there were tickets not accounted for totaling \$541.00, as follows.

Date	School	Ticket Number		Qty		Price	Amount	
		Beg.	End	Sold	Missing		Sold	Missing
Football								
09/03/10	Calexico	6001T	6052T	51		7.00	\$357.00	
	Missing	6052T	6100T		49	7.00		\$343.00
09/17/10	Parker High	6101T	6302T	201		7.00	1,407.00	
09/17/10	Parker High	5426T	5548T	122		7.00	854.00	
	Missing	5548T	5552T		5	7.00		35.00
10/22/10	UCHS	5553T	5928T	36		7.00	252.00	
10/15/10	Kearny High	6306T	6329T	23		7.00	161.00	
	Missing	6329T	6337T		9	7.00		63.00
10/22/10	UCHS	6338T	6380T	42		7.00	294.00	
Basketball								
01/28/11	Serra High	4001T	4088T	87		5.00	435.00	
	Missing	4088T	4107T		20	5.00		100.00
02/04/11	Morse High	4108T	4306T	198		5.00	990.00	
	Total				83			\$541.00

This condition occurred because the Financial Clerk did not maintain records or inventory of tickets, and did not keep track of tickets given to other school clubs. As a result, there is limited assurance that tickets sales recorded in the books are accurate. There is also a high risk of possible monetary loss since missing tickets may have been sold but the income not reported.

Recommendation

Administration is to institute practices that accurately maintain records or inventory of

tickets sold and unsold and accounts for all monies, inclusive of but not limited to:

The Financial Clerk completing a ticket recap after the conclusion of an event and recording any discrepancies between the tickets sold and cash collections on the ticket recap form. Administration is to review these recaps.

Unwanted and outdated tickets shall not be discarded without approval and verification of Internal Audit staff.

27. **The 80% net proceeds from football games in 2010 and 2011, remitted by the school to the District, were understated by \$349.81 and \$975.70, respectively.**

At the end of football season, the school is required to report income and expenses, and to remit 80% of the net proceeds of scheduled football games to the district. In 2010 and 2011, the school remitted \$3,998.43 and \$2,241.45, respectively.

We noted that the amount remitted to the district were understated by \$349.81 in 2010, and \$975.70 2011, as follows.

Football Income – 2010

Total net proceeds reported to the district	\$ 2,801.81
Should be	<u>3,239.07</u>
Difference – understated	(\$ 437.26)*
Multiply by	<u>80%</u>
Understated amount	<u>(\$ 349.81)</u>

* The difference of \$437.26 represents Announcer/Timekeeper wages not actually paid but deducted from income, as follows.

SDHS vs. Hilltop High School	\$ 127.16
SDHS vs. Francis Parker High School	109.16
SDHS vs. Calexico High School	94.59
SDHS vs. Clairemont High School	55.10
SDHS vs. Morse High School	<u>51.25</u>
Total	<u>\$ 437.26</u>

Football Income – 2011

Total net proceeds reported to the district	\$ 4,998.04
Should be	<u>6,217.66</u>
Difference – understated	(\$1,219.62)**
Multiply by	<u>80%</u>
Understated amount	<u>(\$ 975.70)</u>

** The difference of \$1,219.62 represents Custodial/Clean-Up expenses not actually paid but deducted from income, as follows.

SDHS vs. Carlsbad High School	\$ 500.00
SDHS vs. Castle Park High School	285.92

SDHS vs. Granite Hills High School	285.92
SDHS vs. Coronado High School	<u>147.78</u>
Total	<u>\$1,219.62</u>

Recommendation

Administration has the responsibility to institute practices that assure compliance with district requirements.

We require that expenses not actually incurred must not be deducted from income.

We also require that the school remit \$1,325.51 to the district representing 80% of net proceeds under reported in 2010 and 2011, in the amount of \$349.81 and \$975.70, respectively.

28. The Financial Clerk, violated district policy by giving out cash refund from the collections.

On March 7, 2011, cash refund in the amount of \$110.00 was taken out of the collections. By using the cash collection for refunds, the Financial Clerk circumvented the approval process of disbursing ASB funds.

- **District Administrative Procedure No. 2245 states “Cash collected by the student body shall not be used for payments of any sort; payment shall be by ASB check only.”**
- **District Administrative Procedure No. 2437 states: “Student body requisition: Approval of a representative of the student body organization, the ASB advisor or sponsor, and the Principal is required.”**

Cash refunds are not to be made because payments of any kind must be by ASB check only as a basic internal control.

Recommendation

Administration is to implement practices that assure compliance to district procedure.

For internal control purposes, cash refunds are not to be taken from the collections. Refunds are to be made by checks only.

29. To avoid compliance to district policy on the restriction that limits purchases to less than \$500, a procurement card purchase was combined with the use of ASB funds.

The payment of an invoice from Restaurant Depot totaling \$655.74 was paid using the District’s purchase card for \$500.00 and the balance of \$155.74 was paid from the ASB checking account.

District Policy on use of the Procurement Card prohibits splitting of purchases to circumvent the restriction on maximum permitted purchase.

Recommendation

Administrator is to ensure that District expenditures are not to be commingled with ASB expenditures.

30. The school conducted a raffle in violation of Penal Code 319 and District Procedure 2265.

A teacher at the School of International Studies conducted a raffle by selling tickets for \$1.00 in violation of Penal Code Section 319 and District Administrative Procedure No. 2265. The principal of the School of International Studies approved the reimbursement to the teacher for the raffle prizes.

- **California Penal Code Section 319 prohibits raffles.**
- **District Administrative Procedure No. 2265 states “Lotteries and raffles are not permitted.”**

A raffle is defined as a distribution of property by chance among persons who have paid valuable consideration.

Recommendation

Administration is to ensure that raffles are not permitted.

31. Eleven per cent of total disbursements were not supported by required documentation; three percent (\$19,346.01) having no documentation and eight percent (\$58,296.69) not supported by original invoice.

The review of the disbursement transactions covering the period July 1, 2010 through June 30, 2011 resulted in the following exceptions:

- a. Expenditures totaling \$19,346.01 were not verifiable due to lack of documentation. (Attachment II)**

Our verification of expenditures from July 1, 2010 through June 30, 2011, revealed a total of \$19,346.01 representing 3% of the total disbursements tested had no supporting documentation. As a result, we were not able to determine the reasonableness or propriety of these expenditures.

- b. Supporting documents of expenditures totaling \$58,296.69 were inadequate. (Attachment III)**

Our verification of expenditures from July 1, 2010 through June 30, 2011, reveals that

of the total checks tested, \$58,296.69 or (8%) were not supported by original vendor invoices or cash register receipts.

c. Supporting documents were not stamped "PAID" for check payments.

Supporting documentation such as invoices or receipts were not stamped "PAID." Not stamping the supporting documents "PAID" increased the risk of duplicate payments.

Supporting documents such as invoices and receipts are essential parts of sound accounting practice and required internal control. These controls prevent overpayment and provide validation that purchases are allowed.

Recommendations

Administration is to institute procedures that assure the following practices:

- a. The Financial Clerk should ensure that proper documentation of disbursements exists before issuing a check and the site administrator should adequately review supporting documentation for completeness and propriety before attaching their signature to the check.
- b. Documentation must be kept on file for audit purposes and to validate activity. Original receipts or invoices are to support all payments and not photocopies or facsimile of invoices, statements, packing lists or order forms.
- c. Require the Financial Clerk to stamp all invoices or receipts "PAID" to lessen the risk of duplicate payments.

32. Several ASB requisitions did not have the proper signatures that are required to authorize the purchase.

The audit revealed that 299 checks representing (18%) of the total student body requisitions tested did not have the required approval signatures of either the ASB student representative, the ASB advisor or sponsor, the person making the requisition, and the principal.

Missing Signatures on ASB Requisition by:	Total
ASB advisor	228
Person making Requisition	36
ASB student representative	26
Principal	9
Total Number of Checks without Proper Signatures	299

- **District Administrative Procedure No. 2437 states: "Student body requisition is a serially numbered, original internal control form which must be completed as authorization for drawing a student body check. Approval of a representative of the student body organization, the ASB advisor or sponsor, and the Principal is required."**

Recommendation

ASB expenditure requests shall be submitted on student body requisition signed by originator of the request, the Financial Clerk, the ASB representative, the ASB advisor/sponsor, and the Principal. The Financial Clerk's signature certifies that request is authorized and funds are available.

33. Trust/Clubs were not properly managed and controlled in violation of District Procedure No. 6240.

Our review of the recorded Trust/Clubs in the ASB books showed the following deficiencies:

a. Approved constitutions and by-laws or statement of purpose for several trust/club accounts were not on file in the financial office. (Attachment IV)

As a result, we could not establish the validity of trust/club accounts, nor the purpose for which these trust/club accounts were organized and carried on the student body books.

- **District Administrative Procedure No. 6240 states "A charter, constitution or statement of purpose and objectives, and membership requirements must be approved by the student governing body and by the Principal. A copy must be on file in the school office".**

b. The faculty advisors of all clubs did not complete the "Club Advisor Checklists."

Our review of the Trust/Clubs revealed that the faculty advisors of all clubs did not complete the "Club Advisor Checklists" as required by District Procedure No. 6240.

- **District Administrative Procedure No. 6240 states "Advisor acknowledges receipt of "Club Advisor Checklist". A signed copy of the "Club Advisor Checklist" must be on file in the school's financial office."**

c. The "Request for Organization of a School Club" forms were not completed.

The "Request for Organization of a School Club" forms were not completed by all clubs.

- **District Administrative Procedure No. 6240 states "Every proposed student club desiring district authorization must apply to the student governing body of the school".**
- **District Administrative Procedure No. 6240 states "Students seeking approval of school club through student representative, complete "Request for Organization of a School Club" form declaring the aims or statement of purpose of proposed club, proposed membership source, and requesting approval as a school club."**

Recommendations

We recommend that the site administrator:

- a. Enforce the requirement to have club sponsors submit to the Student Body Financial Office the constitution and by-laws of the clubs or class that they are sponsoring.

Ensure that clubs or classes without the required constitution and by-laws are not allowed to use the trust account of the student body fund.

Require that a copy of the charter, constitution or statement of purpose and objectives is on file in the financial office.

- b. The Principal institutes a practice that distributes the "Club Advisor Checklist" forms to all faculty advisors and requires that they acknowledge receipt of the "Club Advisor Checklist." This will ensure that the faculty advisors are aware of their responsibilities as an advisor. Require that a copy of the "Club Advisor Checklist" is kept on file in the financial office for each Club Advisor.
 - c. All clubs seeking approval are to submit a "Request for Organization of a School Club" form. The Principal approves or disapproves each request for organization of a school club, per District Administrative Procedure No. 6240, and obtains approval by the ASB for all clubs and requires that a copy of the approval is filed in the financial office.
34. **There are 19 inactive trust/club accounts as of June 30, 2011 having balances totaling \$9,596.04 that require review by the Principal and the student council, as required by district procedure, to determine their need for incorporation into the ASB General Fund. (Attachment V)**

The review of several trust/club accounts revealed a total of 19 accounts with a total balance of \$9,596.04 are inactive and still carried in the ASB books.

- **District Administrative Procedure No. 2225 states that "All balances remaining in the trust account of any club or organization that has been inactive for one year shall be reviewed by the Principal (or designee) and the student council, and subject to extenuating circumstances, shall be transferred to the Student Body General Fund. Such action shall be recorded in the minutes of a student council meeting."**

Recommendation

The Principal (or designee) and the ASB council are to review the inactive accounts listed in Attachment V. If the club or trust accounts are to be disbanded, the balances of the inactive accounts are transferred to the ASB General Fund.

35. **Three journal vouchers were not recorded in the books; as a result, account balances were not accurately presented.**

Our review of the journal vouchers for the period July 1, 2010 through June 30, 2011 showed three source documents were not recorded in the books. As a result, balances of affected accounts were either understated or overstated.

Date	Journal Voucher
06/03/2011	139224
06/03/2011	139225
06/06/2011	139305

The journal voucher is a source document used to record any adjustments to the books and must be recorded in the books to provide an accurate balance of accounts.

Recommendation

The financial clerk is to record the three journal vouchers in the ASB books.

36. **Two non-certificated employees serve as club advisors in violation of District Procedure 6240.**

Our review of the club advisors revealed that two classified employees are the club advisors of the following clubs:

Club	Advisor
Class of 2014	Financial Clerk
Caver Crazies	Financial Clerk
Gamers Club	Campus Security Assistant

- **District Procedure No. 6240 states: “Faculty Advisor: A certificated member of the school faculty who supervises and is responsible for the school club activities.”**

School clubs are not permitted to function on school premises without a faculty advisor.

Recommendation

The administrator is to appoint a new club advisor who is a certificated member of the faculty.

37. **Funds collected for Lost Book are not remitted to the district.**

The collections for lost books are district funds. The trust fund account setup in the ASB is to be used primarily for refunds and any remaining balance should be transferred to the district. As of June 30, 2011, the trust account for Lost Book has a balance of \$10,796.16.

- **District Administrative Procedure No. 2165 states “Financial clerk issues, periodically, an ASB check payable to San Diego Unified School District, requesting funds to be appropriated to account indicated.”**

The Lost Book trust account is not to be used for purchasing supplies for the library using the ASB checking account. This account is solely to be used to pay for books returned by the students.

Recommendation

The financial clerk is to periodically issue an ASB check to San Diego Unified School District, retaining a small amount in the ASB checking account to be used for fall refunds. The check should be submitted to the district cashier, Accounting Operations Department, requesting that the funds be appropriated to an account specified on the “District Daily Remittance Advice.”

38. The required documentation is not prepared for refunds for “lost books.”

The school library media teacher is not preparing the “Application for Refund of Payment made for Lost Book”.

Our review of the lost book refunds indicates that the school library media teacher is not preparing the “Application for Refund of Payment made for Lost Book” when requesting refunds.

- **District Administrative Procedure No. 2165 states “Secondary school library media teacher, when student brings receipt, prepares application for refund in triplicate; sends all three copies to financial clerk”.**

Recommendation

The administrator is to advise the school library media teacher that an application for refund of payment made for lost book is required when requesting student refunds.

39. Twenty three (23) student body checks were released to the payee bearing only one of the required two signatures.

Our review of the cancelled checks revealed that 23 ASB checks issued were released to the payee with only one signature instead of two. Five out of the 23 checks did not have the signature of the principal and 18 did not have the signature of the financial clerk.

- **District Administrative Procedure No. 2247 states “Signatures of both principal and secretary/financial clerk are required on each check prepared.**

Recommendation

The administrator is to place in practice procedures that assure checks are properly

completed.

The Financial Clerk is to ensure that the checks prepared have two signatures before they are released for payment.

40. Approval forms for non-district organizations conducting fund-raisers, as required by district procedure were not completed.

Non-district organizations conducted fund-raisers without a written approval from the Principal.

- **District Administrative Procedure 9325 B.4.a. states that Generally, solicitation on behalf of a school is prohibited by Education Code Section 51521, which states: “No person shall solicit any other person to contribute to any fund or to purchase any item of personal property, upon the representation that the money received is to be used wholly or in part for the benefit of any public school or the student body of any public school, unless such person obtain the prior written approval of either the governing board of the school district in which such solicitation is to be made or the governing board of the school district having jurisdiction over the school or student body represented to be benefited by such solicitation, or the designee of either of such boards”.**
- **District Administrative Procedure 9325 B.4.b. states that “Exception: The prohibition contained in B.4.a. shall not apply to any solicitation receiving prior approval of the superintendent as the governing board’s designee or of the superintendent’s designee.”**

Approval of the Principal must be received prior to initiation of any fund-raising activities at a school by a non district organization. The fund raising approval form must be kept on file at the school site to document compliance with district procedure.

Recommendation

The Principal is to approve fund-raisers prior to initiation to comply with district procedure.

41. Food was prepared on the premises in violation of district procedure.

The School violated District Administrative Procedure 2270 on ASB Food Sales/Wellness Policy.

The ASB conducted food sales during a world faire and food was prepared on the premises in violation of District Procedure 2270.

- **District Administrative Procedure 2270 states “Foods shall not be prepared on the premises.”**

Recommendation

The School Administrator must ensure that the food and beverage restrictions are followed when selling to students on campus during the school day.

- 42. Revenue potentials were not prepared for any fundraising activities as required by district procedure.**

Fundraising activities were conducted without satisfying the requirement of pre-determining whether the event will secure revenues in excess of expenditures.

A "Revenue Potential" form is completed prior to conducting any fund raising activity. At the conclusion of the fund-raiser, the form must be finalized to compare projected earnings to actual earnings and have variances analyzed. The completed form is to be filed in the finance office.

District Procedure 6240 addresses the need for and presents an example of the Revenue Potential Form. The requirement for and instructions on completion of the Revenue Potential form is also presented in the ASB Handbook.

Recommendation

The Principal institute a practice that assures the Revenue Potential Form is completed and filed prior to the approval of fundraising activities.

- 43. Eleven ASB consultant forms were not prepared as required by district procedure.**

The ASB paid consultants for a total \$2,021.20 for services rendered without preparing a consultant form.

Specifically, we noted the following:

Date	Check #	Description of Service	Account	Amount
09/24/2010	5701	Performance	2354 MVPA Donations	\$100.00
09/24/2010	5702	Performance	2354 MVPA Donations	100.00
10/28/2010	5852	Instrument repairs	2405 Music	319.20
12/01/2010	6022	CIF weight and hydration testing	2502 Instructional Supply	317.00
12/08/2010	6067	CIF weight and hydration testing	2502 Instructional Supply	40.00
02/04/2011	6376	Junkyard Dance Crew performance	6023 ASB Spirit Activities	200.00
02/08/2011	6377	Electrician for ASB Ball	6006 ASB Ball Expense	275.00
05/04/2011	6853	Caricature artist	6027 ASB Human Relations	100.00
05/04/2011	6865	DJ Services	6004 Dance Expense	200.00
05/04/2011	6865	DJ Services	6027 ASB Human Relations	200.00
06/09/2011	7097	ASB Class Pictures	6028 ASB Pictures	100.00

06/15/2011	7166	Interpreter	2351 Sci-Tech Donations	70.00
Total Expenditures without a Consultant Form				\$2,021.20

Recommendation

ASB consultant forms must be completed prior to the rendering of services. Pink copies of the consultant forms should be sent to Accounts Payable so that the IRS form 1099 may be filed at the end of the calendar year. The yellow copy should be retained at the site to document payment made.

- 44. Competitive bids were not solicited for purchases of \$1,500 or more in violation of District Administrative Procedure No. 2435.**

Purchases requiring the solicitation of three bids were not followed. Without competitive bidding, the school may not have obtained a fair price for their purchase.

- **District Administrative Procedure No. 2435 states “Purchases of \$1,500 or more of a specific type of item in one school year must be submitted for competitive bid. Specifications must be issued to three or more responsible bidders.”**

Recommendation

The Principal is to require three competitive bids and assure that evidence of the bid process is kept on file at the finance office.

- 45. SDHS, by signing a multi-year contract, did not follow district policy that restricts contracts to the current year.**

The School signed a three year contract with a vendor for yearbooks in violation of District Procedure No. 2225.

- **District Procedure No. 2225 states “School may not assume a debt that will run beyond the current fiscal year.”**

Careful and prudent consideration must be given before signing any contracts. Contracts are to be submitted to the District’s Legal Office for approval as to form and are not to extend beyond the fiscal year because ASB officers change each year.

Recommendation

The School is not to sign a contract that will extend beyond the fiscal year.

- 46. Sales and use tax were not reported to the district.**

The quarterly sales and use tax reports were not prepared and submitted to the district. This report must be in the Financial Accounting office by the 10th of each month

following the end of the quarter.

To prevent penalties and interest imposed by the State of California for underpayment of tax, the applicable sales tax from sales of taxable items such as P.E. clothes and locks should be reported quarterly to the district. In addition, use tax for purchases from vendors that did not charge sales tax should also be reported quarterly to the district.

Recommendation

The administration institutes practices assuring the Financial Clerk prepares the quarterly sales and use tax reports and establishes a procedure to review for completion of this task.

- 47. **Several scholarship accounts are inactive and the criteria for granting scholarships are missing.**

We noted that ten scholarship trust accounts totaling \$216,755.29 are inactive and there were no statements of purpose for these scholarship accounts on file.

Account	Date Inactive	Balance
2300 Alex/Churlis/Freese Scholarship Trust	12/01/2009	\$9,783.13
2301 Catherine Conant Scholarship Trust	01/30/2009	22,703.53
2302 Scottish Rite Scholarship Trust	09/17/2009	500.00
2303 Kutchin Scholarship Trust	06/08/2005	625.66
2306 SDHS Scholarship Trust	01/30/2009	2,919.72
2309 Schraer Scholarship Trust	01/30/2009	3,346.37
2311 Preciado Scholarship Trust	01/23/2008	1,411.81
2316 Lilian Santa Scholarship Trust	08/30/2009	58,765.37
2318 Greyhound Scholarship Trust	12/13/2002	500.00
2370 Dillard Scholarship Trust	05/21/2009	116,199.70
Total		\$216,755.29

Selection criteria for all scholarships should be established. Scholarships should be made in writing, with all conditions requested by the donor clearly stated. A statement should also be included regarding the disposition of any remaining balance at the close of the period for which the fund is established.

Recommendation

The administrator is to ensure that all scholarships have supporting criteria and meet the requirements specified in the scholarship terms and conditions. These requirements are to be retained at the school site.

We also recommend that SDHS create a scholarship committee to manage the scholarship funds.

48. **Eight students working at the student store were paid a total of \$7,900.00 in the guise of scholarships and were also paid \$880.00 for their “grad night” tickets.**

In fiscal year 2010-2011, eight students received a total of \$7,900.00 for working at the student store in the guise of scholarships and were also paid \$880.00 for their “grad night” tickets.

Specifically we noted the following payments:

Date	Check No.	Amount
06/03/2011	7077	\$1,150.00
06/03/2011	7078	800.00
06/03/2011	7079	500.00
06/03/2011	7080	1,150.00
06/03/2011	7081	1,700.00
06/03/2011	7082	1,300.00
06/03/2011	7083	800.00
06/03/2011	7084	500.00
Total		\$7,900.00

Scholarship prizes are not scholarships if it is not used for education. If it can be used for any purpose, the entire amount is taxable according to the Internal Revenue Services.

Recommendation

Administration is to cease giving out cash prizes in the guise of scholarships. Students should not be paid to work in the student store since this serves as a learning experience for students or a fundraiser.

49. **A teacher collected monies and deposited a total \$14,600 in his own personal checking account in violation of District Administrative Procedure No. 2245 and 2235 and used unofficial supplementary receipts.**

The SDHS of International Studies had a field trip from April 18-22, 2012, to explore several colleges and universities participated by 95 students. The field trip was funded in part by parent donations of \$150.00 each totaling \$14,250.00 and one parent donated an additional \$350.00 to be used for any student who could not afford the trip or for supplies during the trip. One teacher incurred expenditures totaling \$13,542.40 and another teacher incurred \$180.00 related to the field trip, using their own personal money.

Summary of the transactions are as follows:

Collections (95 students x \$150)	\$14,250.00
Parent Donation	350.00
Total Collections	<u>\$14,600.00</u>
Less: Expenditures:	
2 Chartered Buses	\$11,180.00
Food-Snacks	359.84

Lunch	1,201.46	
Breakfast	251.10	
Gratuuity for 2 drivers (no support)	100.00	
Refund to student-did not participate	150.00	
Refund of parent's donation-unused	350.00	
Donuts	180.00	
Total Expenditures		<u>\$13,772.40</u>
Remaining Balance		<u><u>\$827.60</u></u>

- **District Administrative Procedure No. 2245 states “Authorized Bank. All student body checking accounts shall be maintained in the bank designated by the Board of Education.”**
- **District Administrative Procedure No. 2235 states “All financial transactions made in any school must pass through the school office. The principal shall control all collections, deposits, and expenditures of monies made by the school, whether in the form of cash or checks.”**
- **District Administrative Procedure No. 2236 states “School financial clerk is responsible for control of all receipt books used for collecting student body funds. Issues receipt book to student; establishes a record of receipt books issued, showing name of student to whom issued, date issued, and serial number of first unused receipt.”**

As of May 7, 2012, the teacher's personal checking account that held the monies was closed. The teacher provided a cashier's check dated May 3, 2012, in the amount of \$14,600.00 payable to San Diego High School to the operations auditor on May 7, 2012. The auditor gave the check to the principal of operations for deposit into a clearing account in the SDHS ASB checking account.

Recommendation

All financial transactions made in the school must pass through the school office. Collections made by teachers are to be turned over to the school's financial office for deposit and must not be deposited to a personal bank account.

Expenditures incurred by the two teachers are to be reimbursed using the ASB checking account.

The remaining balance of 827.60 is to be redistributed to the parents as follows:

80 students @ \$8.71

15 students @ \$8.72

Athletic Account (Account Opened September 3, 2010)
 Fiscal Year July 2010 to June 30, 2011
 Last Updated: June 16, 2011

<u>Date</u>	<u>Deposits:</u> <u>Donor</u>	<u>Amount</u>	<u>Program Support</u>
09/03/10	Flight Action Sport	250.00	Football
09/30/10	Balboa Youth	250.00	Football
	Flight Action Sport	<u>1,300.00</u>	Football
	Sub-Total	<u>1,800.00</u>	
10/18/10	Kiwanas Club	<u>2,500.00</u>	Girls Soccer
	Sub-Total	<u>2,500.00</u>	
11/01/10	VAVI	2,312.50	Football
11/01/10	VAVI	3,875.00	Football
11/17/10	SD Soccer Partner	1,000.00	Football
	Balboa Youth	<u>250.00</u>	Football
	Sub-Total	<u>7,437.50</u>	
02/08/11	VAVI	2,750.00	Football
	Floyd Robinson Foundation	<u>5,000.00</u>	Football
	Sub-Total	<u>7,750.00</u>	
02/23/11	VAVI	<u>2,562.50</u>	Football
03/15/11	St Augualine High School	<u>1,000.00</u>	Track
03/28/11	VAVI	<u>4,937.50</u>	Track/Football
	Grand Total	<u>27,987.50</u>	

<u>Date</u>	<u>Check No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
Checks Written:				
01/13/11	2550	SDHS Fd. Reimb. For Invoices Paid from Foundation General Account	1,913.38	All Star Design
			2,500.00	Eurosport
			<u>1,105.84</u>	All Star Design
		Total Reimb. For Cks. written on GF	<u>5,519.22</u>	
01/19/11	2551	Chen Woods Catering	600.00	Football Awards Banquet
01/19/11	2552	Coach of the Year Clinic	800.00	Football Awards Banquet
02/16/11	2553	██████████	500.00	Add'l Athletics Assist. Inv. #0208'11
02/16/11	2554	██████████	481.05	Reimb. Student Workout Videos
02/16/11	2555	██████████	640.34	Reimb. Workout Equip. Ath.
02/18/11	2556	SDHS FD. (Reimb. for Cks on Wrong Acct.)	257.67	Pd. To SDHS Yearbook - GF
03/14/11	2557	A&B Sporting Goods	1,100.05	Track Hurdles & Equipment
03/14/11	2558	Lockertags	1,095.00	Football Gear Bags
03/14/11	2559	All Star Design	1,915.14	Track Warm Ups
03/14/11	2560	All Star Design	1,617.61	Track Uniforms
03/14/11	2561	Brand Athletics	560.16	Football Shoes
03/14/11	2562	M-F Athletics	603.58	Track Equipment
03/26/11	2563	NIAAA	60.00	Membership Renewal
03/26/11	2564	Balhouse Sports	596.00	Football Player Uniforms
03/28/11	2565	TherapyZone & Rallyard Fitness Div	1,400.00	Track Equipment
04/25/11	2566	CSADA	225.00	Coaching Conference
04/25/11	2567	Renaissance Hotel Palm Springs	415.65	Coaching Conference
04/29/11	2568	A&B Sporting Goods	63.07	Flags; Cleats
04/29/11	2569	Void	0.00	Void
05/03/11	2570	Renaissance Hotel Palm Springs	416.65	Coaching Conference Two Add'l
05/09/11	2571	A&B Sporting Goods	98.57	Boys Track Equipment
05/16/11	2572	Diamond Fitness Systems	893.82	Athletics
05/25/11	2573	All Star Design	1,800.03	Tracks T's; Coaches Polos Alum T's
05/25/11	2574	Ranch Catering	1,433.21	Athletics Awards Dinner
06/16/11	2575	A&B Sporting Goods	<u>2,610.00</u>	Footballs - Pop Up Bags
		Total Checks Written	<u>25,701.82</u>	
		Bank Balance Available Funds	<u>2,285.68</u>	

San Diego High School ASB
Disbursements without Supporting Documents
July 1, 2010-June 30, 2011

Date	Check #	Account	Amount
09/02/2010	5598	2202 TRACK	\$50.00
09/13/2010	5630	4000 ASB Cards	20.00
08/31/2010	5676	2321 SD DOWNTOWN BKFST. ROTARY SCHOL	750.00
09/23/2010	5694	2243 LOST BOOKS / LIBRARY	6.95
10/21/2010	5826	2211 SOCCER/GIRLS	285.89
09/24/2010	5705	2502 INSTRUCTIONAL SUPPLY 00021	99.95
10/05/2010	5731	2213 FOOTBALL	241.45
10/05/2010	5747	2438 BUSINESS MANAGEMENT	500.00
10/14/2010	5798	2216 VOLLEYBALL/GIRLS	150.00
11/15/2010	5953	2352 CIMA - DONATIONS	42.00
12/01/2010	6020	6007 ASB Homecoming Expense	15.00
12/03/2010	6034	2432 PEER COURT/LEADERSHIP CLUB	810.35
01/11/2011	6244	2504 TRANSPORTATION 00021	80.00
01/11/2011	6245	2243 LOST BOOKS / LIBRARY	73.00
01/19/2011	6287	2352 CIMA - DONATIONS	85.00
02/10/2011	6434	2501 ENTRY FEES 00021	250.00
02/28/2011	6503	2430 SCITECH COLLEGE PREP CLUB	500.00
03/07/2011	6551	2350 I.S. - DONATIONS	451.31
03/09/2011	6584	2416 J.R.O.T.C.	1,440.00
		2220-08 SOS:SOS - Golf/Girls=\$1880.00	
03/14/2011	6605	2220-03 SOS:SOS - Academy of Finance=\$1122.00	3,002.00
03/14/2011	6613	2440 LATINOS ALTINOS ADENLANTE	330.00
03/30/2011	6722	2416 J.R.O.T.C.	45.00
03/30/2011	6723	2416 J.R.O.T.C.	45.00
04/15/2011	6757	2241 INTERNATIONAL BACCALAUREATE	130.00
05/09/2011	6888	2320 ACADEMY OF FINANCE	22.00
05/11/2011	6915	6027 ASB Human Relations/Comm. Srvc. Exp.	699.60
05/16/2011	6941	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6942	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6943	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6944	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6945	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6946	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6947	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6948	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6949	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6950	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6951	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6952	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6953	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6954	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6955	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6956	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6957	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6958	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6959	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6960	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6961	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6962	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6963	2241 INTERNATIONAL BACCALAUREATE	30.00
05/16/2011	6964	2241 INTERNATIONAL BACCALAUREATE	3.00
05/19/2011	6981	2212 SOFTBALL	62.00
05/19/2011	6982	2212 SOFTBALL	62.00

San Diego High School ASB
 Disbursements without Supporting Documents
 July 1, 2010-June 30, 2011

Date	Check #	Account	Amount
05/19/2011	6984	2212 SOFTBALL	62.00
05/23/2011	7015	2213 FOOTBALL	750.00
05/24/2011	7023	2111 CLASS OF 2011	220.00
05/25/2011	7029	2219 ATHLETICS BANQUET	97.88
05/27/2011	7044	2111 CLASS OF 2011	437.00
05/31/2011	7045	6023 ASB Spirit Activities Expense	50.00
05/31/2011	7046	6023 ASB Spirit Activities Expense	150.00
05/31/2011	7054	6023 ASB Spirit Activities Expense	100.00
06/02/2011	7065	6027 ASB Human Relations/Comm. Srvc. Exp.	800.00
06/03/2011	7085	2111 CLASS OF 2011	180.00
06/06/2011	7086	2206 CHEERLEADERS	50.00
06/09/2011	7096	2234 GRADUATION / TRANSCRPT	300.00
06/09/2011	7097	6028 ASB Pictures Expense	100.00
06/09/2011	7100	2243 LOST BOOKS / LIBRARY	12.03
06/09/2011	7101	2243 LOST BOOKS / LIBRARY	27.98
06/09/2011	7109	2243 LOST BOOKS / LIBRARY	30.00
06/10/2011	7118	2111 CLASS OF 2011	32.62
06/15/2011	7150	2241 INTERNATIONAL BACCALAUREATE	3,000.00
06/15/2011	7152	2419 MEChA	288.00
06/15/2011	7158	2320 ACADEMY OF FINANCE	493.00
06/15/2011	7159	2403 APH STOCK CLUB	758.00
06/15/2011	7166	2351 SCI-TECH DONATIONS	70.00
06/20/2011	7168	2241 INTERNATIONAL BACCALAUREATE	96.00
06/29/2011	7186	2150 CAMPUS SUPPORT	300.00
		Total Without Supporting Documents	\$19,346.01

San Diego High School ASB
 Inadequate Supporting Documents
 July 1, 2010-June 30, 2011

Date	Check #	Account	Amount	Inadequate Support
07/01/2010	5514	2350 I.S. - DONATIONS	\$500.00	Photocopy
08/02/2010	5545	2206 CHEERLEADERS	155.44	Credit Card Slip
08/02/2010	5555	2213 FOOTBALL	1,278.90	Facsimile
08/03/2010	5556	2206 CHEERLEADERS	9,695.36	Quote
08/20/2010	5559	6001 ASB Conferences/Trips Expense	779.95	Credit Card Slip
08/20/2010	5569	6001 ASB Conferences/Trips Expense	127.59	Credit Card Slip
08/20/2010	5578	2243 LOST BOOKS / LIBRARY	67.06	No Application for Refund Form
08/20/2010	5579	2243 LOST BOOKS / LIBRARY	74.01	No Application for Refund Form
08/20/2010	5580	2243 LOST BOOKS / LIBRARY	73.44	No Application for Refund Form
08/24/2010	5586	2222 GOLF	1,774.93	Credit Card Statement
08/25/2010	5590	2206 CHEERLEADERS	4,212.98	Quote
09/02/2010	5596	2216 VOLLEYBALL/GIRLS	316.38	Credit Card Slip
09/07/2010	5608	2200 ATHLETICS	40.00	Credit Card Slip
09/10/2010	5619	2502 INSTRUCTIONAL SUPPLY 00021	195.68	Photocopy
09/10/2010	5620	2502 INSTRUCTIONAL SUPPLY 00021	326.27	Photocopy
09/13/2010	5636	2355 LEADS DONATIONS	17.91	Credit Card Slip
09/15/2010	5646	2230 AUTO SHOP	13.35	Statement
09/23/2010	5695	2203 BASEBALL	432.83	Purchase order
10/08/2010	5763	2222 GOLF	744.37	Credit Card Statement
10/12/2010	5766	6007 ASB Homecoming Expense	659.82	Facsimile
10/12/2010	5784	2354 MVPA - DONATIONS	86.00	Photocopy
10/12/2010	5787	2438 BUSINESS MANAGEMENT	631.35	Statement
10/14/2010	5799	2502 INSTRUCTIONAL SUPPLY 00021	152.25	Photocopy
10/15/2010	5801	2206 CHEERLEADERS	642.25	Quote
10/19/2010	5811	2352 CIMA - DONATIONS	76.10	Packing list
10/19/2010	5812	2352 CIMA - DONATIONS	34.76	Credit Card Slip
10/19/2010	5816	2350 I.S. - DONATIONS	88.88	Credit Card Slip
10/28/2010	5847	2350 I.S. - DONATIONS	102.64	Credit Card Slip
11/08/2010	5891	2350 I.S. - DONATIONS	25.13	Photocopy
11/08/2010	5923	6007 ASB Homecoming Expense	759.57	Quote
		2200 ATHLETICS=\$175.00		
11/09/2010	5927	2205 BASKETBALL/GIRLS=\$181.75	356.75	Facsimile
11/15/2010	5951	2426 THEATRICAL KNIGHTS	127.20	Order confirmation
11/15/2010	5952	2426 THEATRICAL KNIGHTS	230.78	Order confirmation
11/15/2010	5954	2438 BUSINESS MANAGEMENT	83.47	Statement
11/16/2010	5978	6025 ASB Student Appreciation Exp.	96.28	Credit Card Statement
11/18/2010	5988	2350 I.S. - DONATIONS	66.33	Credit Card Slip
11/19/2010	5989	2206 CHEERLEADERS	2,500.00	Statement
11/19/2010	5994	2350 I.S. - DONATIONS	178.26	Credit Card Slip
11/19/2010	5999	2205 BASKETBALL/GIRLS	50.00	Order form
12/01/2010	6026	2222 GOLF	335.47	Credit Card Statement
12/16/2010	6094	2264 SOLAR CUP TEAM	393.98	Facsimile
12/16/2010	6099	2204 BASKETBALL/BOYS	194.90	Order confirmation
12/16/2010	6118	2205 BASKETBALL/GIRLS	301.00	Order
12/17/2010	6127	2205 BASKETBALL/GIRLS	455.40	Facsimile
01/03/2011	6131	2450 GAMERS CLUB	27.69	Credit Card Slip
01/06/2011	6223	2243 LOST BOOKS / LIBRARY	6.39	No Application for Refund Form
01/10/2011	6233	2320 ACADEMY OF FINANCE	780.00	Photocopy
01/11/2011	6241	2114 CLASS OF 2014	54.38	Credit Card Statement
01/11/2011	6251	6022 ASB Supplies Expense	485.51	Order confirmation
01/11/2011	6267	2438 BUSINESS MANAGEMENT	155.74	Portion of receipt

San Diego High School ASB
 Inadequate Supporting Documents
 July 1, 2010-June 30, 2011

Date	Check #	Account	Amount	Inadequate Support
01/19/2011	6284	2243 LOST BOOKS / LIBRARY	65.00	No Application for Refund Form
01/24/2011	6292	2150 CAMPUS SUPPORT	115.55	Statement
01/27/2011	6332	6002 ASB Fundraisers Expense	23.43	Credit Card Slip
01/27/2011	6342	2350 I.S. - DONATIONS	211.17	Credit Card Slip
01/27/2011	6343	2350 I.S. - DONATIONS	66.91	Credit Card Slip
01/27/2011	6344	2350 I.S. - DONATIONS	147.59	\$32.19-CC slip, \$115.40-Order conf
01/31/2011	6354	2291 STUDENT COUNCIL - I.S.	46.22	Credit Card Statement
02/09/2011	6412	2450 GAMERS CLUB	169.17	Order
02/09/2011	6431	6006 ASB Ball Expense	28.28	Credit Card Slip
02/09/2011	6432	2264 SOLAR CUP TEAM	33.12	Credit Card Slip
02/09/2011	6433	6025 ASB Student Appreciation Exp.	35.00	Credit Card Slip
02/16/2011	6445	2354 MVPA - DONATIONS	108.62	Order
02/22/2011	6468	2350 I.S. - DONATIONS	228.59	Credit Card Slip
02/23/2011	6473	2354 MVPA - DONATIONS	100.00	Photocopy
02/24/2011	6495	2206 CHEERLEADERS	87.57	Quote
02/28/2011	6502	2203 BASEBALL	382.39	Photocopy
03/01/2011	6514	6022 ASB Supplies Expense	411.04	Order confirmation
03/02/2011	6526	2354 MVPA - DONATIONS	96.51	Credit Card Slip
03/03/2011	6534	2350 I.S. - DONATIONS	105.15	Order confirmation
03/03/2011	6546	2354 MVPA - DONATIONS	43.49	Order -\$43.49
03/07/2011	6558	2450 GAMERS CLUB	70.53	Credit Card Slip
03/07/2011	6563	2150 CAMPUS SUPPORT	126.00	Credit Card Statement
03/09/2011	6585	2111 CLASS OF 2011	427.34	Packing list
03/10/2011	6589	2350 I.S. - DONATIONS	73.33	Credit Card Slip
03/16/2011	6621	2502 INSTRUCTIONAL SUPPLY 00021	318.09	Quote
03/16/2011	6625	2353 BUSINESS - DONATIONS	317.09	Order acknowledgement
03/16/2011	6630	2354 MVPA - DONATIONS	100.00	Photocopy
03/21/2011	6634	2420 THE RUSS	15.64	Photocopy
03/21/2011	6636	2350 I.S. - DONATIONS	107.37	Credit Card Slip
03/22/2011	6642	2353 BUSINESS - DONATIONS	393.47	Photocopy
03/22/2011	6643	2353 BUSINESS - DONATIONS	397.12	Photocopy
03/22/2011	6644	2353 BUSINESS - DONATIONS	389.03	Photocopy
03/22/2011	6645	2353 BUSINESS - DONATIONS	391.63	Photocopy
03/30/2011	6719	2350 I.S. - DONATIONS	103.24	Order
04/01/2011	6736	2264 SOLAR CUP TEAM	82.20	Photocopy
04/11/2011	6738	2111 CLASS OF 2011	390.00	Quote
04/28/2011	6816	2321 SD DOWNTOWN BKFST. ROTARY	800.00	Credit Card Statement
04/29/2011	6831	2350 I.S. - DONATIONS	238.99	Order
05/03/2011	6845	2114 CLASS OF 2014	244.87	Order confirmation
05/04/2011	6862	6002 ASB Fundraisers Expense	11.13	Credit Card Slip
05/05/2011	6866	2213 FOOTBALL	1,095.11	Facsimile
05/09/2011	6892	2206 CHEERLEADERS	335.15	Order confirmation
05/09/2011	6897	2403 APH STOCK CLUB	2,208.02	Credit Card Statement
05/09/2011	6898	2114 CLASS OF 2014	125.87	Credit Card Slip
05/10/2011	6907	2205 BASKETBALL/GIRLS	1,522.50	Facsimile
05/10/2011	6913	2111 CLASS OF 2011	923.31	Statement
05/12/2011	6923	2440 LATINOS ALTINOS ADENLANTE	135.83	Credit Card Slip
05/13/2011	6932	2320 ACADEMY OF FINANCE	488.78	Credit Card Slip
05/17/2011	6969	2205 BASKETBALL/GIRLS	326.00	Facsimile
05/19/2011	6985	2438 BUSINESS MANAGEMENT	170.80	Facsimile
05/19/2011	6988	2206 CHEERLEADERS	300.05	Credit Card Slip

San Diego High School ASB
 Inadequate Supporting Documents
 July 1, 2010-June 30, 2011

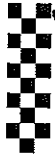
Date	Check #	Account	Amount	Inadequate Support
05/23/2011	6992	2403 APH STOCK CLUB	717.40	Credit Card Statement
05/23/2011	6998	2440 LATINOS ALTINOS ADENLANTE	94.56	Order form
05/23/2011	7018	2502 INSTRUCTIONAL SUPPLY 00021	9.99	Photocopy
05/23/2011	7019	2264 SOLAR CUP TEAM	75.00	Credit Card Statement
05/24/2011	7025	2111 CLASS OF 2011	575.00	Facsimile
05/26/2011	7040	6002 ASB Fundraisers Expense	18.00	Credit Card Slip
05/26/2011	7042	2438 BUSINESS MANAGEMENT	302.40	Facsimile
05/31/2011	7050	2111 CLASS OF 2011	280.00	Credit Card Statement
05/31/2011	7055	2212 SOFTBALL	363.22	Facsimile
06/02/2011	7064	2111 CLASS OF 2011	83.84	Packing list/CC Stmt
06/02/2011	7066	2352 CIMA - DONATIONS	72.00	Credit Card Slip
06/02/2011	7067	2352 CIMA - DONATIONS	23.40	Credit Card Slip
06/06/2011	7087	2243 LOST BOOKS / LIBRARY	13.78	Photocopy
06/06/2011	7089	2204 BASKETBALL/BOYS	21.75	Credit Card Slip
06/06/2011	7090	2111 CLASS OF 2011	750.00	Timecards no approval
06/09/2011	7105	2416 J.R.O.T.C.	371.25	Photocopy
06/08/2011	7112	6003 ASB General Expense	1,347.25	Facsimile
06/09/2011	7113	2111 CLASS OF 2011	3,097.81	Facsimile
06/10/2011	7121	2418 KEY CLUB	151.49	Photocopy
06/10/2011	7129	2256 VOLLEYBALL/BOYS	117.00	Credit Card Slip
06/10/2011	7139	2205 BASKETBALL/GIRLS	822.56	Facsimile
06/10/2011	7144	2111 CLASS OF 2011	78.30	Photocopy
06/15/2011	7148	2227 TENNIS - MEN	38.51	Credit Card Slip
06/15/2011	7151	2320 ACADEMY OF FINANCE	985.27	Credit Card Slip
06/15/2011	7160	2416 J.R.O.T.C.	167.68	Credit Card Slip
06/20/2011	7172	2350 I.S. - DONATIONS	115.00	Credit Card Slip
06/27/2011	7178	6024 ASB Staff Appreciation Exp.	306.21	Bank activity
06/27/2011	7182	6051 Yearbook Misc. Expense	1,200.00	Photocopy
		Inadequate Supporting Documents	\$58,296.69	

San Diego High School ASB
Trust/Club Accounts without A Constitution or Statement of Purpose and Objectives
2010-2011

Accounts
2150 CAMPUS SUPPORT
2219 ATHLETICS BANQUET -
2223 JV FOOTBALL
2226 ATHLETICS SODA
2227 TENNIS - MEN
2230 AUTO SHOP
2234 GRADUATION / TRANSCRPT
2240 IB SUPPORT GROUP
2241 INTERNATIONAL BACCALAUREATE
2243 LOST BOOKS / LIBRARY
2264 SOLAR CUP TEAM
2269 KASHIMA MEMORIAL FUND
2272 CIRCLE OF FRIENDS
2280 SCHOOL CONCESSIONS
2295 BLUE CASTLE RESTAURANT
2300 ALEX/CHURLIS/FREESE SCHOLARSHIP TRUST
2301 CATHERINE CONANT SCHOLARSHIP TRUST
2302 SCOTTISH RITE SCHOLARSHIP TRUST
2303 KUTCHIN SCHOLARSHIP TRUST
2304 OPTIMIST CLUB OF UPTOWN SCHOLARSHIP TRUST
2306 SDHS SCHOLARSHIP TRUST
2309 SCHRAER SCHOLARSHIP TRUST
2311 PRECIADO SCHOLARSHIP TRUST
2316 LILLIAN SANTA SCHOLARSHIP TRUST
2318 GREYHOUND SCHOLARSHIP TRUST
2321 SD DOWNTOWN BKFST. ROTARY SCHOOL
2350 I.S. - DONATIONS
2351 SCI-TECH DONATIONS
2352 CIMA - DONATIONS
2353 BUSINESS - DONATIONS
2354 MVPA - DONATIONS
2355 LEADS DONATIONS
2370 DILLARD SCHOLARSHIP TRUST
2403 APH STOCK CLUB
2405 MUSIC
2411 FRENCH CLUB
2416 J.R.O.T.C.
2419 MEChA
2420 THE RUSS
2421 RUSS NEWS DONATIONS
2438 BUSINESS MANAGEMENT
2440 LATINOS ALTINOS ADENLANTE
2442 GARDEN CLUB
2443 COLLEGE CLUB
2453 MVPA - MUSIC/MARIACHI
2454 MVPA - DRAMA
2459 ANIMATION CLUB
2461 MVPA EVENT PLANNING
2462 MAD SCIENCE CLUB

San Diego High School ASB
 Inactive Accounts
 As of June 30, 2011

Inactive Accounts	Balance
2218 SPORTS IMPROVEMENT FUND	\$1,000.00
2261 P.E.DEPT.	25.76
2278 Anime' Club	285.13
2285 Rotary Interact Club	54.50
2358 CAVER PAVILION	4,986.45
2384 Student Council - Business	101.01
2401 BLACK STUDENT UNION	59.18
2406 AVID - I.S.	239.10
2413 Breakfast Club	45.50
2415 INTERNATIONAL FRIENDSHIP	1,102.22
2417 Fanes Coffee House	33.00
2427 PE Fitness/Soda	236.69
2429 Business Interact	20.99
2435 THE BIBLE CLUB	1,057.89
2441 Japanese Club	77.00
2445 AVID - MVPA	117.41
2452 SCI-TECH School Council	64.17
2483 LAW CLUB	80.45
2805 ASB EVENT PLANNING	9.59
19 Accounts	\$9,596.04



San Diego Unified
SCHOOL DISTRICT

SAN DIEGO HIGH EDUCATIONAL COMPLEX
School of the MVP Arts; LEADS, Communications,
Business, International Studies, and SeFTech
1405 Park Blvd., San Diego, CA 92101-4799
PHONE: (619) 525-7455 FAX: (619) 525-7259

To: Gilbert Gutierrez

From: Jennifer Roberson

Date: 5/3/12

RESPONSE TO SDHS ASB AUDIT

Finding #1: The Athletic Director submitted expenses (\$590) and received payment from the SDHS Foundation-Athletics account for these expenses that had already been reimbursed to him by the district.

- The SDHS Foundation-Athletics account was closed by the Foundation and the remaining balance was issued to the district to be deposited in the correct account for rental income.
- The Principal of Operations oversees Athletics. The administrator in charge of athletic is the only SDHS staff member permitted to request funding or reimbursement from the Foundation for Athletics.
- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.
- The Principal of Operations has established procedures for all extended-day unit payments. The Principal of Operation follows and adheres to district procedure 7232 and 7233 for the payment of all extended-day units paid to any school employee. The Principal of Operations only pays extended-day units when she certifies actual completion of an assignment. Both the school employee and the Principal of Operation sign and verify the completion of the assignment and units to be paid. The Principal of Operations has informed the SDHS Foundation of all paid coaches.
- The Principal of Operations reviews and signs the monthly Audit to Paid Time Report.

Finding #2: The School of International Studies principal had the SDHS Foundation-Athletics account used to pay for the principal's personal expense of \$466 known not to be a permitted expenditure.

- The SDHS Foundation-Athletics account was closed by the Foundation and the remaining balance was issued to the district to be deposited in the correct account for rental income.
- The Principal of Operations oversees Athletics. The administrator in charge of athletic is the only SDHS staff member permitted to request funding or reimbursement from the Foundation for Athletics.
- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility.

- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.

Finding #3: The SDHS Foundation-Athletics account was used to pay the Financial Clerk \$500.00 for his services already paid by the district.

- The SDHS Foundation-Athletics account was closed by the Foundation and the remaining balance was issued to the district to be deposited in the correct account for rental income.
- The Principal of Operations oversees Athletics. The administrator in charge of athletic is the only SDHS staff member permitted to request funding or reimbursement from the Foundation for Athletics.
- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.
- The Principal of Operation follows and adheres to district procedure 7035 and ensures that employees do not engage in any outside employment, activity, or enterprise for compensation which is inconsistent, incompatible or in conflict with his/her duties with the district.
- The Principal of Operations reviews and signs the monthly Audit to Paid Time Report.

Finding #4: Seventeen yearbooks were not accounted having a value totaling \$1,445.00.

- The sales of yearbooks will be reconciled with the total quantity of yearbooks sold and any discrepancy will be investigated and explained in writing by the Yearbook Advisor and Financial Clerk.

Finding #5: Merchandise inventory of PE clothes were not taken every year as required by district procedures.

- At the close of the school year, SDHS will inventory all merchandise on hand purchased for resale for each student body activity.

Finding #6: The audit identified \$100.00 in missing collections and the received funds were not applied to any account.

- The Principal of Operations adheres to administrative procedure 2235, and 2245. She has held three club meetings informing club advisors and the financial clerk of such procedures.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.

Finding #7: The SDHS principal for the period of May 2005 through July 2008 in violation of district policy and procedure misappropriated \$123,570 in facilities rentals from the district, diverting the monies to SDHS ASB after, as ASB Advisor, being instructed in a 2002 audit report that this practice was prohibited.

- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility. All rental income is handled by the Rentals Department and monies are no longer misappropriated and diverted into any ASB accounts.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.

Finding #8: The Balboa Stadium was rented to non-district organizations without a permit, and rent income from July 2009 to August 2010, totaling \$21,956.25 was deposited in the ASB instead of depositing it through the district.

- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility. All rental income is handled by the Rentals Department and monies are no longer misappropriated and diverted into any ASB accounts.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.

Finding #9: Part of the income (\$7,662.68) from the rent of Balboa Stadium from July 1, 2009 to June 30, 2010, was transferred to two trust accounts under the discretion of the Athletic Director which was later used to pay for his personal expenses and expenses that benefited the faculty.

- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility. All rental income is handled by the Rentals Department and monies are no longer misappropriated and diverted into any ASB accounts.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.

Finding #10: The Athletic Director continued renting the Balboa Stadium without a permit to non-district organizations, from September 2010 to March 2011, totaling \$27,987.50, despite being advised by the rental office to stop the practice, and to prevent oversight and expenditure monitoring, diverted the rental income from the district to the San Diego High School Foundation.

- The SDHS Foundation-Athletics account was closed by the Foundation and the remaining balance was issued to the district to be deposited in the correct account for rental income.

- The Principal of Operations oversees Athletics. The administrator in charge of athletic is the only SDHS staff member permitted to request funding or reimbursement from the Foundation for Athletics.
- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility.

Finding #11: The basketball team trip to Las Vegas did not have approval of the Board of Education.

- All multi-day field trips to other states and foreign countries will be submitted to the Board of Education.
- The principals at each of the schools at the San Diego High Complex will adhere to district policy and procedure.

Finding #12: The Financial Clerk paid \$2,455.24 to All Star Design based on a questionable invoice.

- Business with All Star Design has ceased. Principals, staff members and club advisors have been directed to not conduct business with this vendor any longer.

Finding #13: The SDHS Foundation-Athletics account was used to pay for prohibited purchases totaling \$2,033.21.

- The SDHS Foundation-Athletics account was closed by the Foundation and the remaining balance was issued to the district to be deposited in the correct account for rental income.
- The Principal of Operations oversees Athletics. The administrator in charge of athletic is the only SDHS staff member permitted to request funding or reimbursement from the Foundation for Athletics.
- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code. The Principal of Athletics adheres to administrative procedure 2518.

Finding #14: The SDHS Foundation-Athletics account was used to pay for restricted expenditures.

- The Principal of Operations oversees spending and follows the “2010-2011 Spending Guidelines” issued by the Finance Division.
- The SDHS Foundation-Athletics account was closed by the Foundation and the remaining balance was issued to the district to be deposited in the correct account for rental income.
- The Principal of Operations oversees Athletics. The administrator in charge of athletic is the only SDHS staff member permitted to request funding or reimbursement from the Foundation for Athletics.

- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.

Finding #15: The SDHS Foundation-Athletics account was used to pay several expenses without supporting documents totaling \$15,508.32.

- The SDHS Foundation-Athletics account was closed by the Foundation and the remaining balance was issued to the district to be deposited in the correct account for rental income.
- The Principal of Operations oversees Athletics. The administrator in charge of athletic is the only SDHS staff member permitted to request funding or reimbursement from the Foundation for Athletics.
- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.

Finding #16: The rental from the Balboa Stadium and school facilities totaling \$27,067.50 for the period July 18, 2010 through October 6, 2012 were comingled in the ASB trust accounts for various athletics accounts.

- The Principal of Operations oversees Athletics. The administrator in charge of athletic is the only SDHS staff member permitted to request funding or reimbursement from the Foundation for Athletics.
- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.

Finding #17: In fiscal year 2010-2011, the school continued to allow non-district organizations that are not qualified to use the school site facilities with a permit from the District's Rental Office-use the facilities.

- The Principal of Operations oversees Athletics. The administrator in charge of athletic is the only SDHS staff member permitted to request funding or reimbursement from the Foundation for Athletics.
- The Principal of Operations oversees the rental of any SDHS facility. The Principal of Operations works with the Rentals Department to ensure all non-district organizations have an approved Civic Center use Permit to use any SDHS facility.

- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.

Finding #18: A teacher sold various sporting good to the school in violation of district procedure 2225, and 2415.

- Conducting business with said teacher has ceased. Principals, staff members and club advisors have been directed to not conduct business with this staff member.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.
- The Principal of Operations adheres to administrative procedure 2225, and 2415 and has notified staff about such procedures.

Finding #19: The teacher who sold various sporting good to ASB introduced a vendor “All Star Designs” to the school who did not have a business license, and acted like an agent for the vendor.

- Conducting business with said teacher and vendor has ceased. Principals, staff members and club advisors have been directed to not conduct business with this staff member.
- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.
- The Principal of Operations adheres to administrative procedure 2225, and 2415 and has notified staff about such procedures.

Finding #20: Misuse of student body funds through inappropriate and prohibited expenditures was found totaling \$7,460.52.

- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.
- The Principal of Operations has held three ASB club meeting with advisors to review prohibited expenditures.

Finding #21: Student body funds totaling \$5,430.00 were used to pay for salaries instead of paying through the District’s payroll system.

- The Principal of Operations has established procedures for all extended-day unit payments. The Principal of Operation follows and adheres to district procedure 7232 and 7233 for the payment of all extended-day units paid to any school employee. The Principal of Operations only pays extended-day units when she certifies actual completion of an assignment. Both the school employee and the Principal of Operation sign and verify the completion of the assignment and units to be paid. The Principal of Operations has informed the SDHS Foundation of all paid coaches.
- The Principal of Operations adheres to district procedure 1550 and ensures that all payments of employees are paid through the payroll system.

Finding #22: The school made donations to various organizations totaling \$1,071.74. This is an inappropriate use of ASB funds because this is a gift of public funds.

- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.
- The Principal of Operations ensures that ASB funds are not used for charitable purposes unless a specific fundraiser is conducted for that purpose.

Finding #23: Improper payment processing practices resulted in vendor overpayments totaling \$549.37.

- The Financial Clerk has been trained and directed to follow the accounting procedures of paying only on original receipts to prevent duplicate payment and ensures that proper documentation for disbursements exists before issuing a check. The Principal of Operations has final review of all supporting documents and ensures completeness and propriety before signing.

Finding #24: Failure to follow proper accounting practice through validating invoice totals resulted in twenty one checks being overpaid that totaled \$750.03.

- The Financial Clerk has been trained and directed to follows the accounting procedures of paying only on original receipts to prevent duplicate payment and ensures that proper documentation for disbursements exists before issuing a check. The Principal of Operations has final review of all supporting documents and ensures completeness and propriety before signing.

Finding #25: High risk activities were conducted at the school site in violation of District Procedure 5153.

- The Principal of Operations oversees all ASB club accounts, including Athletics. The Principal of Operations monitors all deposits and expenditures from ASB accounts and adheres to all district policies and procedures and Education Code.
- The Principal of Operations adheres to district procedure 5153 and consults with Risk Management before any high risk activities are allowed on district property.

Finding #26: Tickets were not properly controlled resulting in unaccounted tickets totaling \$541.00.

- Procedures are in place to accurately maintain records and inventory of tickets sold and unsold, so that we can account for all monies. The Principal of Operations has final review of all supporting documents and ensures completeness and propriety before signing.

Finding #27: The 80% net proceeds from football games in 2010 and 2011, remitted by the school to the District, were understated by \$349.81 and \$975.70.

- The Principal of Operations has instituted practice to assure compliance with district requirement.

Finding #28: The Financial Clerk, violated district policy by giving out cash refund from the collections.

- The Financial Clerk will no longer give out cash refunds from the collections. The Principal of Operations reviews and monitors all collections and deposits.

Finding #29: To avoid compliance to district policy on the restriction that limits purchases to less than \$500.00, a procurement card purchase was combined with the use of ASB funds.

- The Principal of Operations ensures that district expenditures are not comingled with ASB expenditures.

Finding #30: The school conducted a raffle in violation of Penal Code 319 and District Procedure 2265.

- The Principal of Operations has held three ASB club meeting with advisors and has informed staff that raffles are not permitted.

Finding #31: Eleven percent of total disbursements were not supported by required documentations; three percent (\$19,346.01) having no documentation and eight percent (\$58,296.69) not supported by original invoice.

- The Principal of Operations instituted a practice whereby all club advisors and principals are aware: The Financial Clerk follows the accounting procedures of paying only on original receipts to prevent duplicate payment and ensures that proper documentation for disbursements exists before issuing a check. The Principal of Operations has final review of all supporting documents and ensures completeness and propriety before signing.

Finding #32: Several ASB requisitions did not have the proper signatures that are required to authorize the purchase.

- The Principal of Operations instituted a practice whereby all club advisors and principals are aware: The Financial Clerk follows the accounting procedures of paying only on original receipts to prevent duplicate payment and ensures that proper documentation for disbursements exists before issuing a check. The Principal of Operations has final review of all supporting documents and ensures completeness and propriety before signing.

Finding #33: Trust/Clubs were not properly managed and controlled in violation of District Procedure 6240.

- The Principal of Operations instituted a practice whereby all club advisors must complete a club packet, which consists of all paperwork outlined in administrative procedure 6240.

Finding #34: There are 19 inactive trust/club accounts as of June 30, 2011 having balances totaling \$9,596.04 that require review by Principal and the student council, as required by District Procedure, to determine their need for incorporation into the ASB General Fund.

- The Principal of Operations and the ASB council reviewed inactive accounts and those that were disbanded; the balances of the inactive accounts were transferred to the ASB General Funds.

Finding #35: Three journal vouchers were not recorded in the books; as a result, account balances were not accurately presented.

- The Financial Clerk recorded these three journal vouchers in the ASB books.

Finding #36: Two non-certificated employees served as club advisors in violation of District Procedure 6240.

- The Principal of Operations instituted a practice whereby all club advisors must complete a club packet, which consists of all paperwork outlined in administrative procedure 6240.
- The Principal of Operations ensures that all club advisors are certificated employees.

Finding #37: Funds collected for Lost Book are not remitted to the district.

- The Lost Book trust account will no longer be used to purchase supplies for library. The Financial Clerk will periodically issue an ASB check to SDUSD retaining a small amount in the ASB checking account to be used for fall refunds.

Finding #38: The required documentation is not prepared for refunds for lost books.

- The Principal of Operations has informed the school library media teacher to use the application for refund of payment for lost book and this system is in place.

Finding #39: Twenty three student body checks were released to the payee bearing only one of the two required signatures.

- The Financial Clerk now follows the accounting procedures of paying only on original receipts to prevent duplicate payment and ensures that proper documentation for disbursements exists before issuing a check. The Principal of Operations has final review of all supporting documents and ensures completeness and propriety before signing. The Financial Clerk ensures that there are two signatures prior to releasing payment.

Finding #40: Approval forms for non-district organizations conducting fundraisers, as required by district procedure were not completed.

- The Principal of Operation instituted a procedure for fundraising. The Principal of Operation has informed stakeholders that she is to approve fundraisers prior to initiation to comply with district procedure.

Finding #41: Food was prepared on the premises in violation of district procedure.

- Food preparation, other than our culinary arts class, does not occur on campus.

Finding #42: Revenue potentials were not prepared for any fundraising activities as required by district procedure.

- The Principal of Operations instituted a practice whereby all club advisors must complete a club packet, which consists of all paperwork outlined in administrative procedure 6240.

Finding #43: Eleven ASB consultant forms were not prepared as required by district procedure.

- The Principal of Operations instituted a practice whereby ASB consultant forms must be completed prior to rendering services.

Finding #44: Competitive bids were not solicited for purchase of \$1,500 or more in violation of District Procedure 2435.

- The Principal of Operations instituted a practice whereby three competitive bids are in place and assures that evidence of the bid process is kept on file in the finance office.

Finding #45: SDHS, by signing a multi-year contract, did not follow district policy that restricts contracts to the current year.

- The Principal of Operations oversees all contracts and ensures that SDHS does not enter multi-year contracts.

Finding #46: Sale and use tax were not reported to the district.

- The Principal of Operations instituted a practice whereby the Financial Clerk prepares the quarterly sales and use tax reports. She also established a procedure to review for completion of this task.

Finding #47: Several scholarship accounts are inactive and the criteria for granting scholarships are missing.

- SDHS is in the process of establishing a scholarship committee per the recommendation of the audit findings.
- The Principal of Operation will ensure that all scholarships have supporting criteria and meet the requirements specified in the scholarship terms and conditions.

Finding #48: Eight students working at the student store were paid a total of \$7,900 in guise of scholarships and were also paid \$880.00 for their grad-night tickets.

- The issuing of cash prizes have ceased. Cash scholarships are no longer given and students are no longer paid to work in the student store.

Finding #49: A teacher collected monies and deposited a total \$14,600 in his own personal checking account in violation of District Administrative Procedure No. 2245 and 2235 and used unofficial supplementary receipts.

- The Principal of Operations will educate all stakeholders on all administrative procedures pertaining to ASB club guidelines, and money collection. The Principal of Operations will ensure that all financial transactions made in the school pass through the school office and that all collections made by teachers are turned over to the school's financial office for deposit.
- Expenditures incurred by the two teachers will be reimbursed using the ASB checking account and the remaining balance of 827.60 will be redistributed to the parents as follows:
80 students @ \$8.71
15 students @ \$8.72