



*Internal Audit Department*

**AOY ELEMENTARY SCHOOL:  
ALLEGATIONS OF LACK OF ACCOUNTING AND  
MISUSE OF DISTRICT PROPERTY**

Prepared by:  
Internal Audit

**2013-2014**

**Final**

## **EXECUTIVE SUMMARY**

### **BACKGROUND**

Internal Audit received an email with allegations, listed below, against the Aoy Elementary School (ES) Principal regarding lack of accounting and misuse of District property.

1. The Principal “is refusing to account for monies that have been raised by the school since the beginning of the school year. Since it is getting close to the end of the year, there is some concern around the use of the donations and lack of accounting.”
2. The Principal “uses the school’s property for personal use. She uses the school’s chairs, PA system, and camera...”

### **OBJECTIVES AND SCOPE**

The objectives of the audit were to determine (i) the validity of the allegations made against the Principal and (ii) identify any District non-compliance with local, state, and federal policies. Our initial scope was the fiscal year (FY) 2013-2014 campus activity fund financial transactions and equipment at Aoy ES. However, as evidence was being collected, we expanded our scope to include the Aoy ES Parent Teacher Association (PTA) financial transactions and records for the FY 2013-2014.

### **LIMITATIONS**

The majority of the evidence was based on inquiry due to limited availability of documentation. Inquiry has inherent limitations and may fail to identify inappropriate behavior or deviations from current policies and procedures.

### **SUMMARY OF FINDINGS**

We validated instances where the Principal violated District guidelines and failed to comply with the Code of Ethics and Standard Practices for Texas Educators.

Board Policy CAA (Local) Financial Ethics which outlines employees are “...expected and directed to refrain from engaging in actions that constitute fraud or financial impropriety...” to include:

1. Misappropriation of District assets, which includes employee time, and
2. Inappropriately removing District furniture, fixtures or equipment, and any other dishonest act regarding the finances of the District.

Code of Ethics and Standard Practices for Texas Educators standards:

- 1.1 “The educator shall not intentionally, knowingly, or recklessly engage in deceptive practices regarding official policies of the school district...”
  - 1.2. “The educator shall not knowingly misappropriate, divert, or use monies, personnel, property, or equipment committed to his or her charge for personal gain or advantage”
  - 1.7 “The educator shall comply with state regulations, written local Board policies, and other state and federal laws.
- The Principal intentionally circumvented District procedures in regard to accounting for donations and fund raiser collections by utilizing the campus’s inactive PTA over which she had control. The Principal’s disregard for internal controls, District policy, and code of ethics has compromised the control environment at Aoy ES.
  - The Principal did not report or seek approval for non-monetary donations made to Aoy ES and therefore, failed to perform the Administration and Fiscal/Facilities Management duty listed in her job description to “...assume responsibility for the proper maintenance of the campus financial accounts in accordance with administrative policies....”

- The Principal and Aoy ES employees violated Texas Constitution Article III, Sec. 52, which prohibits the District to “...gratuitously grant public money or things of value in aid of any individual, association, or corporation...” when:
  - They conducted non-related school activities during the work day.
  - The Principal allowed the use of a District-owned refrigerator in a private residence.
- The Principal admitted she took school-owned equipment to her residence without District approval, but she denies it was for personal use.
- Unauthorized raffles, which are considered gambling under the Texas Penal Code, were conducted at Aoy ES. Conducting an unauthorized raffle is a Class A misdemeanor and participating in an unauthorized raffle is a Class C misdemeanor.
- The PTA violated City-Council Health and Environmental District requirements when they conducted food sales without a food establishment permit.
- At least one PTA fund raiser was conducted at the school during the instructional/work day.
- The parent involvement assistant performed activities that are not in accordance with the job description of her federally funded position.
- The Principal disregarded District guidelines concerning equipment installation when she did not obtain approval from the District to have an awning installed on school grounds.
- New equipment stored in the vault, some federally funded, has not been assigned and therefore, not benefited teachers/students. We confirmed the federally funded equipment was purchased in June 2012 and September 2013. It appears this occurred because the Principal has not followed-up on assigning equipment.

**Observation:** Due to the lack of radios, the Aoy ES front office staff contact the head custodian on his personal cell phone. The head custodian mentioned he has received work-related calls during lunch time or after work.

#### **RECOMMENDATIONS**

- The Area 1 Superintendent should determine the appropriate personnel action against the Aoy ES Principal for not complying with District guidelines and standards outlined in the Code of Ethics and Standard Practices for Texas Educators and submit her recommendation to Human Resources for review.
- The Area 1 Superintendent and the Aoy ES Principal shall ensure the Operations Department evaluates the awning installation regarding compliance with District requirements to include, but not limited to, safety.
- All professional and hourly staff at Aoy ES shall complete the Ethics and Fraud Awareness training and related assessment. Furthermore, the Area 1 Superintendent shall ensure Aoy ES administrators promote and enforce ethical behavior of all employees at Aoy ES. Monitoring of the actions taken may be addressed during the Principal’s formative and summative evaluations.

- External Funding shall work with Aoy ES staff and Finance to ensure salary costs for the non-parent involvement duties performed by the parent involvement assistant are re-classified from Title I, Part A to an appropriate account.
- The Area 1 Superintendent shall ensure Aoy ES administration either assign or surplus idle equipment in accordance with District procedures. The campus inventory must be updated to reflect actions taken. Aoy ES administration shall also seek guidance from External Funding staff to determine the appropriate use of equipment purchased from federal funds (based on the intent of the purchase outlined in the appropriate campus improvement plan).
- Campus administration shall ensure the Aoy ES PTA does not conduct activity on District property until it has become an “active PTA” recognized by the EPISD Council of PTAs. Furthermore, once active, the PTA should submit the annual documentation and ensure compliance with the requirements outlined in the Parent Organization Guidelines.
- The Aoy ES staff shall discontinue the practice of calling hourly employees on their personal cell phones during lunch time or when they are off-duty since it may lead to wage and hour issues.
- Since lunch may be interrupted when employees are called (and respond) on their personal phones, we recommend Human Resources follow-up to determine whether any of these interruptions have led to under compensating the employee. If a wage and hour time settlement is owed, Aoy ES shall compensate the employee.

#### **ANALYSIS OF MANAGEMENT’S RESPONSE AND CORRECTIVE ACTION TAKEN**

A Corrective Action Plan (CAP) was provided outlining the activities to be implemented. The CAP appears to be sufficient to address the reportable conditions outlined in this report.

The Principal resigned from the District effective 9/10/2014.

#### **CONCLUSION**

Parent organizations are separate entities from the District; therefore, the District does not monitor their functions. The District developed the Parent Organization Guidelines to facilitate compliance with local, state, and federal regulatory requirements. District guidelines, if adhered to as designed, serve as internal controls to prevent or detect errors, irregularities, abuse, and fraud. If guidelines are not adhered to or are circumvented, internal controls will not be effective, thus, exposing the District to financial and reputational risks.

The Principal did not follow District, state, and federal guidelines, which resulted in lack of accounting and misuse of District resources. A Principal’s attitude, actions, and values set the tone of the entire school. Therefore, the Principal’s disregard for internal controls, District policy, and the code of ethics has also compromised the control environment at Aoy ES.

Attached is the complete report, which includes the detailed allegations and findings.

**AOY ELEMENTARY SCHOOL:  
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**WORK PERFORMED**

We reviewed the campus activity fund transaction detail for fiscal year (FY) 2013-14 concerning collections, donations, and fund raisers to define the areas we needed to focus on and sources of information. In addition, we performed an equipment inventory spot check at Aoy Elementary School (ES).

During the initial interview process, we detected other issues related to donations, lack of accounting, and misuse of District property, which required additional work. Part of this additional work included, but is not limited to:

- (i) Analyzing the relationship between the Aoy ES and the Aoy ES Parent Teacher Association (PTA);
- (ii) Determining employees' level of involvement with the Aoy ES PTA;
- (iii) Reviewing PTA records to ensure compliance with the District's Parent Organization Guidelines;
- (iv) Contacting the president of the EPISD Council of PTAs to gather information;
- (v) Reviewing time stamps in TEAMS for an hourly employee;
- (vi) Reviewing school sign-in/out logs;
- (vii) Contacting the Operations, Maintenance, and Campus Accounting departments to obtain documentation;
- (viii) Performing a spot check at a private residence near Aoy ES, and
- (ix) Interviewing 11 employees; some of whom were interviewed more than once.

**ALLEGATIONS AND FINDINGS** – *See Attachment A for related guidelines*

**Allegation 1**

The Principal "is refusing to account for monies that have been raised by the school since the beginning of the school year. Since it is getting close to the end of the year, there is some concern around the use of the donations and lack of accounting."

**Findings for Allegation 1**

**Finding 1:** We determined the Principal intentionally circumvented District procedures in regard to accounting for donations and fund raiser collections by utilizing the campus's inactive PTA over which she had control. Activities sponsored by the PTA are not processed/handled as campus activity funds; therefore, they are not subject to District internal controls and Internal Audits.

It is the responsibility of management, in this case the Principal, to emphasize the importance of ethical values and meeting internal control objectives through both words and actions. The Principal's disregard for internal controls, District policy, and the code of ethics has compromised the control environment at Aoy ES. The control environment is the attitude and actions of management regarding the significance of control within the District, which includes factors such as the integrity and ethical values of staff.

The following issues were detected:

- 1. The Principal allowed and participated in activities that were presented/advertised as sponsored by the Aoy ES PTA, which may have misled the community.
  - a. According to the president of the EPISD Council of PTAs, the Aoy ES PTA became inactive on 10/16/2013; therefore, Aoy ES PTA collected and spent monies for different activities during the school year while being unrecognized.
  - b. The majority of the donations and monies raised were being managed by the Aoy ES PTA and not processed through the campus activity fund. Employees, including the Principal, were involved in the cash handling process of the Aoy ES PTA funds.
    - i. Some of the PTA activities involved the collection of monies for the following: pictures, concession sales during dances, popcorn, t-shirts, carnival, concession sales (from the refrigerator in the main office), garage sales, Fruitiki bars (i.e. popsicles), and field trips.

2. We determined the Principal played a major role in the PTA's decision-making process for fund raisers, expenditures, and use of donations. The Principal admitted to the following:
  - a. Receiving a donation of \$1,500, in the form of a check, from a realtor on behalf of the Aoy ES PTA. When we asked the Principal why it was done through the PTA and not the school, she stated, "that is how it was done before" and "PTA has more freedom."
  - b. Planning/coordinating at least one fund raiser for the PTA (school dance).
  - c. Directing an employee to use cash from PTA funds to pay for Fruitiki bars for a fund raiser.
  - d. Purchasing t-shirts using \$275 in cash from PTA funds. When we asked the Principal for the invoice she stated she did not have it.
  - e. Instructing/allowing employees to plan and conduct fund raisers (to include collecting money) for the PTA during the workday.
  - f. Was aware that PTA monies were stored on school grounds.

According to interviewees,

- The Principal decided to raise monies (collect) for the PTA with the assistance of District employees throughout the school year.
  - The Principal decided how to use PTA monies. For example, the Principal directed the parent involvement assistant (working in the capacity of treasurer for the PTA) to give PTA money to the playground monitor to buy sodas for the school and reimburse employees for school purchases.
  - They collected/counted fund raiser money with the Principal.
3. The Principal and Aoy ES PTA did not establish a line of separation between District and parent organization activities as required by the Parent Organization Guidelines. Evidence that the line of separation was not established include:
    - a. The PTA used the campus address (e.g. bank statements) rather than using its own address.
    - b. The PTA used the District's tax-exempt status on at least one occasion.
    - c. The Principal played a major role in the PTA's decision-making process when it came to fund raisers, expenditures, and use of donations.
    - d. The parent involvement assistant served as treasurer for the PTA.
    - e. Two employees (the parent involvement assistant and a playground monitor) admitted they are authorized signers for the PTA bank account.
    - f. The PTA distributed checks based on what each grade-level raised during the "Halloween Carnival" fund raiser to each grade-level chairperson to use for the students.
    - g. The PTA paid a vendor (e.g. El Paso Zoo) directly for part of a field trip cost instead of depositing the money in the school campus activity fund.
  4. Activities advertised as sponsored by the Aoy ES PTA did not follow internal control practices to ensure cash was accounted for, properly documented and secured, and traceable to specific cash handlers. Lack of internal controls can create opportunities for fraud to occur. In addition, an organization cannot provide assurance on the accuracy of its financial reporting. Examples of lack of controls include:
    - a. Receipts were not used to account for fund raising monies collected. The parent involvement assistant stated she was not aware she had to issue receipts for collections.
    - b. Unreceipted monies were kept in the campus inside a closet in the main office and inside a closet in the Assistant Principal's office.
    - c. There were three pre-signed checks in the PTA checkbook.
    - d. Many PTA transactions were done in cash. The Assistant Principal provided a spreadsheet where PTA cash transactions, for the period of February 2014 to May 2014, were being recorded.
    - e. The PTA received monetary and nonmonetary donations and did not issue letters of acknowledgment to the donors. The Principal confirmed there are no donation letters, but stated she wrote some thank you notes.

5. A check from Target Take Charge of Education Program dated 8/26/2013 for \$116.48 issued to Aoy Elementary School was deposited into the Aoy ES PTA bank account.
  - a. The letter associated with the check was addressed to the Principal (i.e. by position only). The Principal stated she was not aware Aoy ES was part of the Target Take Charge of Education Program or that they had received a check.
  - b. According to Aoy ES PTA deposit tickets, two checks from Target for \$80.36 and \$90.79 were deposited on 9/16/2009 and 9/27/2010 respectively.
  - c. Aoy ES transaction detail for fiscal years 2010-2011, 2011-2012, and 2012-2013 does not reflect deposits related to the aforementioned Target program. According to Target's website, Aoy ES has been given a total of \$3,123.78 through August 2013. Aoy ES was enrolled in this program in November 1997.

**Finding 2:** The Principal did not report or seek approval for non-monetary donations (such as an awning, toys, food baskets, uniforms, and hoodies) made to Aoy ES. Since documentation for the aforementioned does not exist, we cannot determine whether all donations are accounted for or whether they were used/allocated correctly.

The Principal failed to perform the Administration and Fiscal/Facilities Management duty to "assume responsibility for the proper maintenance of the campus financial accounts in accordance with administrative policies. These accounts include, but are not limited to, disbursements, donations, and fund-raising activities" listed in her job description.

#### **Allegation 2**

The Principal "uses the school's property for personal use. She uses the school's chairs, PA system, and camera.

- a. The most recent event was a party held at her house a couple weeks ago.
- b. I was told this was common knowledge around the school since her husband (works for the City) loaded it in his truck with her assistance.
- c. The expensive school camera is only allowed to be used by her and she uses it extensively on personal vacations."

#### **Findings for Allegation 2**

We identified instances in which the Principal directed District resources such as employee time and equipment be used for non-district purposes. The Principal admitted to taking District property/equipment home without having proper approval, however she denies it was for personal use.

**Finding 1:** The Principal and Aoy ES employees violated Texas Constitution Article III, Sec. 52, which prohibits the District to "...gratuitously grant public money or things of value in aid of any individual, association, or corporation..."

1. Since employees' time during work is considered a District resource, the Principal and employees violated the Texas Constitution when they conducted PTA-related activities during the work day.
  - a. The parent involvement assistant admitted that on two occasions she was accompanied by either the Assistant Principal or the counselor to the bank to deposit PTA monies during the work day. Both the Assistant Principal and counselor confirmed her statement.
  - b. The counselor admitted to going to the store to purchase Fruitiki bars for the fund raiser.
  - c. Two of the aforementioned employees said the Principal directed them to go to the bank to deposit PTA monies. According to the counselor, the Assistant Principal asked him to go to the bank with the parent involvement assistant.
  - d. The Principal denied being aware the employees went to the bank to deposit PTA monies, but did admit to instructing/allowing employees to plan and conduct fund raisers (to include collecting money) for the PTA during the workday.

2. The Principal also violated the Texas Constitution when she (i) allowed her former babysitter, who lives near the school, to use a District-owned refrigerator and (ii) instructed the head custodian to deliver and set up the refrigerator in the private residence during work hours.
  - a. The Principal alleges she instructed the head custodian to move her personal refrigerator (kept in her office), but the custodian took a refrigerator from the Aoy ES Parent Center instead.
  - b. The Principal admitted she went to the individual's private residence the same day the refrigerator was moved and realized the custodian had taken the wrong one, but she did not attempt recovery.
  - c. The Principal admitted the individual living at the private residence was her son's former babysitter. This individual had a child enrolled in Aoy ES from August 2003 to June 2009.
  - d. This individual kept the refrigerator for approximately six months. On May 30, 2014, the Principal notified Internal Audit that the head custodian "recovered the refrigerator that he took to the parent's house across the street." Internal Audit staff verified the refrigerator was returned to the school.

**Finding 2:** The Principal admitted she took chairs, a PA sound system, and a camera from Aoy ES to her residence, but she claims she did not take them for personal use. The Principal alleged she has never taken any District equipment for personal use.

1. The Principal said she took school chairs home to use for an end of year team building meeting for her leadership team. However, she admitted the meeting never took place and she never invited the employees since she intended to invite them at the last minute.
2. The Principal stated she did not fill out any document that showed administrative approval to remove the school-owned equipment from District property.
3. Three interviewees admitted they helped the Principal load/unload either a PA sound system or chairs to/from the Principal's vehicle. Two of them alleged the Principal used them for a personal event.
4. Three different interviewees stated they have heard the Principal has taken equipment for personal use (i.e. chairs and camera).

**FINDINGS NOT SPECIFIC TO ALLEGATIONS** – *See Attachment A for related guidelines*

The following findings do not specifically relate to any of the allegations made, but were identified during our audit.

**Finding 1:** Unauthorized raffles, which are considered gambling under the Texas Penal Code, were conducted at Aoy ES. According to the Principal, two raffles were conducted at Aoy ES. We confirmed one of these raffles (for a stuffed animal) took place during a school dance. The District is not a "qualified nonprofit organization" for purposes of the Charitable Raffle Enabling Act. The Aoy ES PTA is also not a qualified organization since their 501(c)(3) status was revoked in 2011. Only raffles held according to the terms of the Charitable Raffle Enabling Act are authorized raffles. Conducting an unauthorized raffle is a Class A misdemeanor and participating in an unauthorized raffle is a Class C misdemeanor.

**Finding 2:** The PTA violated City-Council Health and Environmental District requirements when they conducted food sales (popcorn, concessions, and Fruitiki) without a food establishment permit.

**Finding 3:** At least one PTA fund raiser was conducted at the school during the instructional/work day. According to the Aoy ES Weekly Calendar, a garage sale took place on 10/18/2013 from 8:30 am to 3:30 pm.



**Finding 4:** The parent involvement assistant performed activities that are not in accordance with the job description of her federally funded position. Three interviewees, including the parent involvement assistant, stated the Principal directed the parent involvement assistant to perform activities not related to her position. These activities include, but are not limited to, being the photographer for the graduation picture sales fund raiser and working in a financial capacity for the PTA.

**Finding 5:** The Principal disregarded District guidelines concerning equipment installation when she did not obtain approval from the District to install an awning on school grounds.

1. The Principal admitted she did not contact anyone to get approval to install an awning. She said the former Principal had contacted Facilities to install the first awning and the second awning would also be approved since it was part of a continuous project.
2. Internal Audit contacted Campus Accounting, Maintenance and Operations regarding the two awnings installed at Aoy ES and none of the departments had documentation related to the awnings (e.g. approval request).

**Finding 6:** New equipment was stored in the vault, which has not been used, hence, has not benefited teachers/students. Some of the equipment was federally funded. It appears this occurred because the Principal has not followed-up on equipment assignment.

1. At least 10 boxes, with document cameras purchased with federal funds, remain unopened. According to the Principal, they received the document cameras from another school that had received a lot of them. According to TEAMS, the document cameras were received in June 2012.
2. A box with a laptop purchased with federal funds remains unopened. According to TEAMS, the laptop was received in September 2013.
3. At least 25 boxes, with VHS players and DVD players, remain unopened. According to the Principal, these items were already in the vault when she became an Assistant Principal at Aoy ES (four years ago).

**Observation:** Due to the lack of radios, the Aoy ES front office staff contact the head custodian on his personal cell phone. The head custodian mentioned he has received work-related calls during lunch time or after work. The practice of calling hourly employees on their personal cell phones during lunch time or when they are off-duty creates a risk of wage and hour violations.

**CRITERIA FOR ALLEGATIONS 1 AND 2**

<b>Related to Finding #</b>	<b>Criteria for Allegation 1</b>
1	<p>Code of Ethics and Standard Practices for Texas Educators standards:</p> <p>1.1 “The educator shall not intentionally, knowingly, or recklessly engage in deceptive practices regarding official policies of the school district...”</p> <p>1.7 “The educator shall comply with state regulations, written local Board policies, and other state and federal laws.</p>
1.1	<p>POG Registration – “The organization shall submit the Parent Organization – Registration form to the campus to become a recognized parent organization. The form shall be submitted on an annual basis along with the following:</p> <ul style="list-style-type: none"> <li>- List of officers, their addresses and phone numbers</li> <li>- Articles of Association/Incorporation</li> <li>- Bylaws</li> <li>- Annual Budget</li> <li>- IRS Determination Letter with 501(c)(3) designation (if applicable)</li> <li>- Sales Tax Exemption Certificate (if applicable)</li> <li>- Sales Tax Permit (if applicable) ...</li> <li>- Food Establishment Permit (if applicable)</li> </ul> <p>Once the registration form is approved by the principal, the organization may proceed with approved activities. Continuing parent organization shall ensure documents on file with the campus are current.”</p>
1.2, 1.3	<p>CAM Section 15A.4 Accounting for Outside Organizations:</p> <ul style="list-style-type: none"> <li>o “District employees receiving a direct benefit from the PTA should not act in the capacity of an officer.”</li> <li>o “Assets of outside groups, such as the PTA, should not be the accounting responsibility of the school district.”</li> </ul>
1.2	<p>POG Budget – “Petty cash accounts, credit cards, or similar discretionary funds should not be provided to sponsors.”</p>
1.2	<p>POG Refunds: “Request for refunds shall be approved by the president. The person requesting a refund shall provide proof of payment. The treasurer shall ensure the refund was not previously made. Refunds shall be documented on a Disbursement Voucher and should not exceed the amount of the payment. Refunds shall be provided through a check.”</p>
1.2	<p>POG Fund Raisers – “District employees should not in any way be involved in fund raising activities while on duty.”</p>
1.1, 1.2, 1.3	<p>POG Independence – “To establish a line of separation between the District and the parent organization, the parent organization shall...”</p> <p>“Register with the applicable local, state, and federal governments...”</p> <p>“Not collect money from students through the assistance of the campus...”</p> <p>“Make donations to the District through the campus office and not directly to sponsors...”</p> <p>“Not have District employees working in a financial capacity.”</p> <p>“Not grant the District sponsor voting rights. The sponsor shall serve the role of advisor.”</p>
1.2, 1.3	<p>POG “A District nonexempt (hourly) employee should not volunteer unless: ...</p> <ul style="list-style-type: none"> <li>o The employee does not provide the same type of services as provided during the normal</li> </ul>

Related to Finding #	Criteria for Allegation 1
	<p>workday.</p> <ul style="list-style-type: none"> <li>o The employee is volunteering services to the parent organization in the sole capacity of parent or grandparent and not as an employee of the District.”</li> </ul>
1.3	POG Mailing Address – “The parent organization may not use the campus mailing address. Parent organization invoices, bank statements, fundraising products, etc., shall NOT be sent to any EPISD campus, but rather to the organization’s own address.”
1.3	POG Sales Tax Permit – “The parent organization cannot use the District’s Sales Tax Permit Number.”
1.3	POG Bank Account – “District employees may not be authorized signers.”
1.3	POG Travel – “Funds for District-sponsored travel, even if primarily provided by participants and/or booster clubs, or organizations, shall be deposited into the District’s student activity fund accounts.”
1.4	POG Accounting System – “The parent organization shall implement an accounting system.... Accounting transactions shall be recorded in the accounting system to establish financial accountability, produce financial reports, and perform research. The accounting system should at a minimum track revenues and expenses.”
1.4	POG Money Handling – “Money handling shall be performed or supervised by the treasurer. For each fund raising event, the treasurer shall select the cash handling method which is most appropriate (accountable and feasible).”
1.4	POG Fund Raisers – “All funds must be collected by parent organization representatives and money must be removed from the campus.”
1.4	POG Deposits – “The treasurer shall make deposits within 24 hours after receiving money.”
1.4	POG Check Issuance – “Under no circumstances shall checks be pre-signed.”
1.4	POG Check Issuance – “All disbursements must be made through checks.”
1.4	POG Charitable Contributions Received – “The parent organization shall provide the donor a letter of acknowledgement containing the name of the organization, the date, amount of the cash received or a description of any property contributed, and whether the organization provided any goods or services in exchange for the contribution.”
1.5	POG Independence – “To establish a line of separation between the District and the parent organization, the parent organization shall... Not commingle their funds with school activity funds. ...
2	CAM Section 7 Donations and Gifts – “The district employee requesting acceptance completes the "Donation Approval Request" form and obtains the principal’s approval. The completed form is sent to the respective Associate Superintendent who reviews and approves/denies the donation. If additional approvals are required, the form is then forwarded to TIS or Operations. A copy of the completed, signed form is sent to Property Control Management (PCM), Campus Accounting and the original to the Campus.”

Related to Finding #	Criteria for Allegation 2
1.1	Texas Constitution Article III, Sec. 52, prohibits the District to "...gratuitously grant public money or things of value in aid of any individual, association, or corporation..."
1.1	Administrator's Reference Guide Internal Audit – "The employee's time during work is also considered a District resource. Therefore, employees are restricted from conducting any personal business on District property during the normal work day. The normal work day does not include lunch breaks."
1.2	Board Policy CFB (Local) – "Penalties assessed to administrators for ... improper disposition of assets, or poor asset control records and procedures may include: 1. Formal reprimand through the performance evaluation process and a letter of reprimand in the personnel folder; 2. Criminal prosecution; 3. Employment termination; and Other penalties, as deemed appropriate by the Superintendent."
1.2	Administrator's Reference Guide Internal Audit – "Employees may not use District property for personal business" and "Administration considers improper utilization of District resources a serious concern. Infractions may result in the employee's termination".
1.2, 2.2	Board Policy CFB (Local) – "All assets removed from a site shall require proper documentation and approval and shall be recorded in the Fixed Asset Management system."

**CRITERIA FOR FINDINGS NOT SPECIFIC TO ALLEGATIONS**

<b>Related to Finding #</b>	<b>Criteria for Finding 1: Unauthorized raffles, which are considered gambling under the Texas Penal Code, were conducted at Aoy ES.</b>
1	Charitable Raffle Enabling Act Chapter 2002, Occupations Code, Texas Codes Annotated from the Secretary of State website (www.oag.state.tx.us) “Only raffles held according to the terms of the Raffle Enabling Act are authorized raffles. An unauthorized raffle is considered gambling under the Texas Penal Code. Conducting such a raffle is a Class A misdemeanor. Participating in an unauthorized raffle is a Class C misdemeanor.”
1	Board Policy FJ (Legal), “The District is not a “qualified nonprofit organization” for purposes of the Charitable Raffle Enabling Act and shall not sponsor or conduct raffles...”
1	POG Unallowable Fund Raisers – “Unacceptable fund raising activities on campus include: ... Raffles (may be permitted off campus).”

<b>Related to Finding #</b>	<b>Criteria for Finding 2: The PTA violated City-Council Health and Environmental District requirements when they conducted food sales without a food establishment permit.</b>
2	POG Food Establishment Permit – “If the parent organization will be conducting food sales, a permit should be obtained from The El Paso Department of Public Health.”

<b>Related to Finding #</b>	<b>Criteria for Finding 3: At least one PTA fund raiser was conducted at the school during the instructional/work day.</b>
3	POG Fund Raisers – “Approved fund raising activities are to be conducted before school, after school, or during lunch, so as not to interfere with instructional time. This includes the distribution of materials and the collection of funds.”
3	POG Fund Raisers – “District employees should not in any way be involved in fund raising activities while on duty.”

<b>Related to Finding #</b>	<b>Criteria for Finding 4: The parent involvement assistant performed activities that are not in accordance with the job description of her federally funded position.</b>
4	<p>According to the NCLB Act Title I, Part A Section 1118(e), schools must build capacity for parental involvement to “...ensure effective involvement of parents and to support a partnership among the school involved, parents and the community to improve student academic achievement....”</p> <p>The job description states the primary purpose of the PIA is as follows: “Assists the principal with the Parent Involvement component of the District Strategic Plan in all schools. Establishes networks with PTA, VIPS and other school/community groups for the purpose of engaging positive parent involvement.”</p>

Related to Finding #	<b>Criteria for Finding 5: The Principal disregarded District guidelines concerning equipment installation when she did not obtain approval from the District to install an awning on school grounds.</b>
5.1	Administrator's Reference Guide Facilities – “Requests for approval to make improvements to buildings, grounds, facilities, and equipment installations such as playground equipment, marquee installations, etc. must be submitted for review and approval early in the process to accommodate the school's anticipated completion schedules. The following must be submitted to the assistant superintendent facilities, operations, and maintenance for review and authorization prior to the beginning of any work or the expenditure of funds: 1. Donation Approval Request Form....”
5.1	CAM Section 7 Donations and Gifts – “Prior approval is required from: ... The Operations Department for all building and grounds modifications/improvements including playground equipment, marquees, carpeting, concrete work, landscaping, etc. A completed “OPERATIONS” Bulletin #1 “DONATIONS TO SCHOOLS – REQUEST TO EXPEND SCHOOL FUNDS”... must accompany the Donation Request.”
5.1	POG Donations to the District – “Donations which result in landscaping and/or building modifications must be approved by the Operations Department” and “The parent organization shall obtain approval from the sponsor and principal on the Donation Approval Request form prior to purchasing items to be donated to the District.”

Related to Issue #	<b>Criteria for Finding 6: There was new equipment stored in the vault, which has not been used, hence, has not benefited teachers/students. Some of the equipment was federally funded.</b>
6	Board Policy CFB (Local) – “... each site administrator shall assume ultimate responsibility for the fixed assets at that site.”