

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF

PAYROLL DEPARTMENT  
GREENWOOD COMMUNITY SCHOOL CORPORATION  
JOHNSON COUNTY, INDIANA

July 1, 2004 to June 30, 2006



**FILED**  
08/16/2007



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer/Director of Fiscal Services	Thomas G. Mandon Randall Burns	07-01-04 to 09-04-06 09-05-06 to 06-30-07
Superintendent of Schools	David E. Edds	07-01-04 to 06-30-07
President of the School Board	Jerry Engle Andrew Bass	01-01-04 to 12-31-05 01-01-06 to 12-31-07



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TO: THE OFFICIALS OF THE GREENWOOD COMMUNITY SCHOOL CORPORATION

We have examined the records of the Payroll Department for the period from July 1, 2004 to June 30, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Greenwood Community School Corporation for the fiscal years 2005 and 2006.

STATE BOARD OF ACCOUNTS

May 10, 2007

PAYROLL DEPARTMENT  
GREENWOOD COMMUNITY SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS

EXCESS SALARY PAYMENTS

Information presented for examination revealed Tina Carr, Payroll Clerk, wrote a check in the amount of \$640 to her husband, Steven Carr, for work not performed. Mr. Carr was employed by the School Corporation as a Teaching Assistant. The Treasurer/Director of Fiscal Services talked with Mrs. Carr about the check. Mrs. Carr admitted to writing an extra check payable to Mr. Carr for work not performed for the School Corporation. Mrs. Carr and her husband were immediately terminated from employment with the School Corporation.

Excess salary payment	\$	640.00
Hours worked on April 23, 2007, no pay received		<u>(75.74)</u>
 Total amount to be reimbursed	 \$	 <u>564.26</u>

On June 6, 2007, Steven Carr was asked to reimburse \$564.26 to Greenwood Community School Corporation. (See Summary, page 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

LEAVE AND OVERTIME POLICY

Leave and overtime policy presented for examination indicated a noncertified employee accrues ten vacation days, five sick days, and two personal days per year. We noted Tina Carr, Payroll Clerk, used leave time in excess of the amount earned. Our comparison showed excess leave time used in the amount 11.5 hours as follows:

	<u>Date</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Amount to Reimburse</u>
Did not work, received pay, no leave time used	11-29-06	3.5	\$ 19.34	\$ 67.69
Leave time taken without available balance	04-17-07	8	19.34	154.72
Overpayment of contract thru Dental insurance paid for month of May, benefits ended April 30	04-23-07 04-30-07			285.60
				<u>(56.13)</u>
 Total amount to be reimbursed		 11.5	 19.34	 <u>\$ 451.88</u>

PAYROLL DEPARTMENT  
GREENWOOD COMMUNITY SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

On June 6, 2007, Tina Carr was asked to reimburse \$451.88 to Greenwood Community School Corporation. (See Summary, page 7)

Each governmental unit should adopt written policy regarding the accrual and use of leave time and compensatory time and the payment of overtime. Negotiated labor contracts approved by the governing board would be considered as written policy. The policy should conform to the requirements of all state and federal regulatory agencies. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

INSURANCE COVERAGE

An insurance policy issued January 1, 2007, covered theft, disappearance, and destruction inside the School premises. The policy was with Indiana Insurance and the amount of coverage was \$30,000 with a \$500 deductible.

Additionally, an insurance policy issued January 1, 2007, covered errors and omissions by School leaders. The policy was with Indiana Insurance and the amount of coverage was \$1,000,000 for each wrongful act with a \$2,500 deductible.

PAYROLL DEPARTMENT  
GREENWOOD COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on June 5, 2007, with David E. Edds, Superintendent of Schools, Randall Burns, Treasurer/Director of Fiscal Services; and Stephanie Porter, Assistant Treasurer. The officials concurred with our audit findings.

Steven Carr, former Teaching Assistant, and Tina Carr, former Payroll Clerk, were informed of the contents of this report through certified letter sent on June 6, 2007.

PAYROLL DEPARTMENT  
GREENWOOD COMMUNITY SCHOOL CORPORATION  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Steven Carr, former Teaching Assistant:			
Excess Salary Payments, page 4	\$ 564.26	\$ 564.26	\$ -
Tina Carr, former Payroll Clerk:			
Leave and Overtime Policy, pages 4 and 5	<u>451.88</u>	<u>40.57</u>	<u>411.31</u>
Totals	<u>\$ 1,016.14</u>	<u>\$ 604.83</u>	<u>\$ 411.31</u>

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AFFIDAVIT

STATE OF INDIANA )  
Johnson COUNTY)

We, Beth Kelley and Derek Bechtel, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Payroll Department, Greenwood Community School Corporation, Johnson County, Indiana, for the period from July 1, 2004 to June 30, 2006, is true and correct to the best of our knowledge and belief.

Beth Kelley

Derek Bechtel  
Field Examiners

Subscribed and sworn to before me this 19<sup>th</sup> day of July, 2007.

Mirani D. Rooks  
Notary Public

My Commission Expires: 06-28-2014

County of Residence: JOHNSON