

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

SPECIAL COMPLIANCE REPORT
OF

ATHLETIC DEPARTMENT
JEFFERSONVILLE HIGH SCHOOL
GREATER CLARK COUNTY SCHOOLS
CLARK COUNTY, INDIANA

August 1, 2015 to December 31, 2019



FILED
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STATE OF INDIANA
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TO: THE OFFICIALS OF THE GREATER CLARK COUNTY SCHOOLS, CLARK COUNTY, INDIANA

This is a special compliance report for the Greater Clark County Schools (School Corporation), for the period August 1, 2015 to December 31, 2019, and is in addition to any other report for the School Corporation as required under Indiana Code 5-11-1. All reports pertaining to the School Corporation may be found at www.in.gov/sboa/.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts and were limited to records associated with the Jeffersonville High School Athletic Department donations. The Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

July 16, 2020

ATHLETIC DEPARTMENT
JEFFERSONVILLE HIGH SCHOOL
GREATER CLARK COUNTY SCHOOLS
RESULTS AND COMMENTS

ECA FUNDS USED TO PAY BOOSTER BILL

Joe Luce (Luce) began employment with the Greater Clark County Schools as the boy's high school basketball coach starting the 2015-2016 school year, and resigned September 3, 2019. Luce, after being hired, ordered uniforms, duffle bags, travel bags, polo shirts, shoes, and warmup outfits from a local sporting goods store. These types of purchases were billed to and paid by the booster club, which is an organization outside of the school. The sporting goods store contacted the booster club Treasurer, Corinne Seebold (Seebold). The sporting goods store informed Seebold of the order, and the approximate cost of \$30,000, and asked if the booster club would be paying for this. Seebold advised the sporting goods store the booster club did not have the money to pay for this order. Seebold also talked to the Athletic Director, Todd Satterly (Satterly), advising him of the purchase and approximate dollar amount. Seebold advised Satterly the booster club did not have the money to pay for this purchase. Seebold found out after the conversation, that Luce ordered the items.

The booster club had a verbal agreement with the sporting goods store to pay on the bill as they could. The booster club made payments on the bill until the balance was \$19,586.69. Luce contacted a local businessman and asked for help paying the remaining bill. The local businessman contacted the principal, Julie Straight (Straight), to verify, and made a donation. The donation check was made payable to Jeffersonville High School, as instructed by Straight, in the amount of \$20,000, dated February 1, 2019.

A "Gifts to Buildings Request Form" was filled out and submitted to the School Board for the donation, showing the date submitted for approval as February 13, 2018. The form was signed by Straight, and was dated February 19, 2017. The form was not signed by the Assistant Superintendent of Schools or Superintendent of Schools, although there was a place for both signatures on the form. The March 5, 2019 School Board minutes indicated approval of the Gifts to Buildings report, which included the donation for \$20,000 to Jeffersonville High School, and stated the purpose of the item was to "support athletic program."

The donor check was receipted into the Athletic Department General Fund on February 15, 2019, prior to approval by the School Board. We conducted interviews with the School Principal and Athletic Director on December 3, 2019. The donated money was held in the extracurricular account until December 6, 2019, and then a check in the amount of \$19,586.69 was issued to the sporting goods store to satisfy the booster club's outstanding balance. The outstanding bill associated with the payment was not an obligation of the extracurricular fund or the school.

IC 20-41-1-7 states in part: "The treasurer has charge of the custody and disbursement of any funds . . . incurred in conducting any athletic, social, or other school function (other than functions conducted solely by any organization of parents and teachers) . . ." Therefore, activities and organizations which are not extra-curricular in nature should be responsible for their own accounting and cash handling systems. The extra-curricular account should not collect, receipt, remit, or disburse outside organization's monies. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 1)

ATHLETIC DEPARTMENT
JEFFERSONVILLE HIGH SCHOOL
GREATER CLARK COUNTY SCHOOLS
RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS

There was not a clear segregation between the athletic department and the booster club activities. As a result, the Principal directed a donation to be made to the Jeffersonville High School Athletic Department, instead of to the booster club where the obligation existed. School officials should have made it clear to the donor that the donation was for an obligation of the booster club, not the Athletic Department.

Additionally, basketball camps were conducted each year by the booster club. Parents received emails and flyers with information on the camps, registration, and payment instructions. The flyers did not always state the payment was to be made to the booster club, but to be made payable to Jeffersonville Basketball. Reconcilements were not made to verify registrations and payment by the Athletic Department or booster club.

Without proper segregation between the Athletic Department and the booster club activities, this allowed funds to be comingled and not properly accounted for.

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual: Uniform Internal Control Standards for Indiana Political Subdivisions. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. These standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

ATHLETIC DEPARTMENT
JEFFERSONVILLE HIGH SCHOOL
GREATER CLARK COUNTY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on July 16, 2020, with Pamela Hall, Jeffersonville High School Principal; Julie K. Straight, former Jeffersonville High School Principal; Mark Laughner, Superintendent of Schools; Todd Satterly, Athletic Director; Melissa Bower, Director of Secondary Education; Andrew Grantz, Boys High School Basketball Coach; and April Geltmaker, General Counsel.