



July 26, 2019

Audrey Woods, Board Chairman
Better Choice Foundation
4617 Mirabeau Ave.
New Orleans, LA 70126

Re: Notice of Non-Compliance, Level 2 – Financial Management (Response to Submissions)

Dear Mrs. Woods,

I am writing as acknowledgement of your July 19, 2019 submissions regarding financial management as outlined in the NOLA Public Schools Notice of Non-Compliance.

The July 19, 2019 submissions included Coghill's written accounting policies and procedures manual, supporting documentation for the reimbursements of check 11330 in the amount of \$100 and check 11434 in the amount of \$500 to Dr. Eric Jones, documentation showing three (3) apple computers budgeted in the Title I grant, and Coghill's employee handbook.

We appreciate the above-mentioned submissions; however, additional information is needed. In reviewing the submissions, the following observations were made:

1. While written financial policies were provided, procedures for expenditures in excess of \$5,000 did not appear to be included.
2. Receipts for (parking receipt dated 2/9/19 for \$28.00 and food receipt dated 6/4/19 for \$32.73) Check 11330 issued on 2/8/19 for "Reimbursement for Parking" totaled \$60.73. However, it appears to be in violation of BCF written procedures, specifically, the purpose of the expenditure is not clear (pg. 5-2 in manual). Additionally, the receipt of \$40.00 cash repayment back to Mary D. Coghill from Dr. Jones appears to be in violation of BCF's written procedures because it was returned more than forty-five (45) days after the employee advance (pg. 5-8 in manual). Lastly, the check was initially issued for reimbursement for parking, but all receipts were dated after the check was issued and the additional receipts submitted were for a different day and were not for parking. It is not clear if the check was for an advance on expected expenses or for reimbursement of expenses already incurred. However, the financial procedures only allow for advances for travel.
3. Four (4) receipts (food dated 5/21/19 for \$64.43, food dated 5/21/19 for \$111.38, food date unknown for \$91.67, food date unknown for \$87.91) totaling \$355.39 were provided for check 11434 issued on 3/29/19. This appears to be in violation of BCF's written procedures because it does not indicate who was included in the "employee recognition" (5-8 in manual). Additionally, Dr. Jones' cash repayment of \$145.00 to Mary D. Coghill appears to be in violation of BCF's written procedures because it was returned more than forty-five (45) days after the employee advance (pg.5-8 in manual).
4. The budget of three (3) Apple computers in the Title I grant was provided, but there was no evidence that Title I paid for the computers nor is there documentation of the source of funds used to purchase the fourth computer. Additionally, no details of the anticipated use of computers were provided.
5. In your letter of July 19th, it was stated that legal counsel is being consulted to develop a policy regarding alcohol consumption by employees on school grounds.

CC: Dr. Henderson Lewis Jr, Superintendent

6. It was stated that the source of funds for the purchases for Teacher Appreciation Day were from the “minimum funds program general account”, but there was no specific proof of which fund paid for this.
7. It was stated that the purpose of the gift card purchase was a “thank you” for all staff members. However, documentation did not provide the names of the employees who received the appreciation, which is in violation of BCF’s written procedures (5-8 in manual).
8. Teacher Appreciation, alcohol, and gift cards were purchased with MFP dollars, which are public funds. Your letter indicated consultation with legal counsel to create a plan of action for reimbursement to Better Choice Foundation for any improper expenditures of public funds.

The following items still need to be submitted:

1. Written policies and procedures for purchases in excess of \$5,000.
2. The purpose for check 11330 for parking and food totaling \$60.73.
3. For any reimbursements that were issued in violation of BCF’s written financial policies, any corrective action taken including steps to ensure improper or undocumented payments are returned.
4. Regarding the employee recognition noted in check 11434, submit the list of employees paid for in these four (4) receipts.
5. Evidence supporting and proving which funding source paid for the Apple computers. The budget does not prove that this was actually paid with Title I funds. We are requesting a copy of what BCF would submit to the state for this reimbursement. Additionally, anticipated use of the three (3) Apple computers needs to be provided.
6. Supporting details proving which funding source paid for the Teacher Appreciation Day. Examples of this could be general ledger support.
7. Documentation providing the names of employees who received the Teacher Appreciation Day.
8. Any policies or procedures that were updated or implemented as a result of the Notice of Non-Compliance that was issued.

This Notice of Non-Compliance, Level 2 will remain open until all of the above requirements are satisfied. If there are any questions, please feel free to contact me.

Yours in Education,



Kelli R. Peterson, Ed.D.
Chief Portfolio Innovation & Accountability Officer