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Mary Mosiman, CPA
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NEWS RELEASE

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FOR RELEASE December 13, 2018

Auditor of State Mary Mosiman today released a report on a special investigation of the Marshalltown Community School District (District) for the period November 28, 2016 through June 15, 2018. The special investigation was requested by District officials due to concerns identified with certain disbursements issued by the former Payroll Specialist, Allison Meyer. Ms. Meyer was placed on administrative leave on June 13, 2018 and subsequently resigned from her position on June 14, 2018. The resignation was effective June 15, 2018.

Mosiman reported the special investigation identified $645,411.11 of improper disbursements and undeposited collections, including $616,167.85 of improper penalties and interest incurred by the District because Ms. Meyer did not submit monthly and quarterly payroll reports in timely manner. This amount includes $602,963.81 paid to the Internal Revenue Service, $9,365.45 to Iowa Workforce Development, $3,168.17 to IPERS, and $670.42 to the Iowa Department of Revenue. While the penalties and interest were paid to the IRS, District officials requested a waiver which was denied. District officials have filed an appeal.

Mosiman also reported the improper disbursements identified include $12,233.14 of leave time used in excess of authorized, $7,118.25 of excess payroll issued to former District employees, $3,081.15 of excess insurance premiums, $2,974.25 of improper payroll issued to current and former District employees, $1,031.73 of improper payroll issued to teachers, $440.20 of excess payments for a child support garnishment, and $55.92 of interest charges for a late payment to Northwestern Mutual.

In addition, Mosiman reported the undeposited collections identified include $2,308.62 for the employee's share of IPERS which was paid by the District.

The report includes recommendations to strengthen the District's internal controls and overall operations, such as improving segregation of duties, ensuring all disbursements, including payroll, are properly reviewed and approved, and requiring sufficient supporting documentation for all disbursements.

Copies of the report have been filed with the Division of Criminal Investigation, the Marshall County Attorney's Office, and the Attorney General's Office. A copy of the report is available for review on the Auditor of State's web site at https://auditor.iowa.gov/reports/audit-reports/ and in the Office of Auditor of State.

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REPORT ON SPECIAL INVESTIGATION
OF THE
MARSHALLTOWN COMMUNITY SCHOOL DISTRICT

FOR THE PERIOD
NOVEMBER 28, 2016 THROUGH JUNE 15, 2018

1730-4104-BE00

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Auditor of State's Report

To the Board of Education of the
Marshalltown Community School District:

As a result of concerns regarding certain payroll disbursements and at the request of District officials, we conducted a special investigation of the Marshalltown Community School District (District). We have applied certain tests and procedures to selected financial transactions of the District for the period November 28, 2016 through June 15, 2018. Based on discussions with District officials and personnel and a review of relevant information, we performed the following procedures:

(1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.

(2) Interviewed District officials and former District employees to gain an understanding of certain procedures and inquire about certain transactions processed by the former Payroll Clerk, Allison Meyer.

(3) Examined payments to Ms. Meyer for payroll to determine if they were properly approved, properly supported, and the propriety of the amount and frequency of the payments.

(4) Examined billings and reports from the Internal Revenue Service (IRS) to identify late fees, penalties, and interest charges paid by the District. Reports from the IRS included information through September 2018.

(5) Examined billings and reports from the Iowa Department of Revenue (IDOR) to identify late fees, penalties, and interest charges paid by the District. Reports from the IDOR included information through May 2018.

(6) Examined billings and reports from the Iowa Workforce Department (IWD) to identify late fees, penalties, and interest charges paid by the District. Reports from the IWD included information through January 2018.

(7) Examined billings and report from the IPERS to identify late fees and interest charges paid by the District. Report from the IPERS included information through May 2018.

(8) Interviewed Ms. Meyer to obtain an understanding of her job duties and explanations for certain transactions.

These procedures identified $645,411.11 of improper disbursements and undeposited collections. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **B** of the report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of the financial statements of the Marshalltown Community School District, other matters might have come to our attention which would have been reported to you.

Copies of the report have been filed with the Division of Criminal Investigation, the Marshall County Attorney's Office, and the Attorney General's Office.

We would like to acknowledge the assistance extended to us by personnel of the Marshalltown Community School District during the course of our investigation.

Mary Mosiman

MARY MOSIMAN, CPA
Auditor of State

December 3, 2018

Background Information

The Marshalltown Community School District (District) is located in Marshalltown, Iowa and serves approximately 4,900 students in Marshall County. The District is governed by a 7 member Board which meets the first and third Monday of each month.

Allison Meyer began employment with the District as a full-time Secretary and Payroll Specialist on November 28, 2016. As Payroll Specialist, Ms. Meyer was responsible for:

1) Payroll – calculating payroll amounts, preparing, signing, and distributing checks, and posting payments to the accounting records;

2) Reporting – tracking para-educators and secretary sick leave, personal leave, family leave, and compensatory time, and preparing and filing quarterly and annual payroll reports.

All District disbursements are to be made by checks drawn on District accounts and supported by invoices or other documentation obtained by or submitted to the Accounts Payable Specialist. Payroll amounts are to be made by check or deposited electronically to employees' personal bank accounts. Payroll amounts are to be supported by employment contracts or other appropriate documentation.

Payroll was prepared near the end of each month; however, no independent review or reconciliations of the monthly payroll registers were performed. In addition, payroll rates entered into the District's payroll system were not reviewed and approved, and employees could be added and/or deleted without independent approval.

On June 12, 2018, the Director of Business Operations was asked to review the general fund bank reconciliation because the former Business Manager was not able to reconcile them. During her review of the bank statements, she noticed a federal tax deposit for the District's 941 payroll taxes withdrawn on May 23, 2018 for the April 2018 payroll cycle. Because the District issued payroll on April 30, 2018 for services rendered in April, the tax deposit was to be submitted by May 3, 2018.

Because the May tax deposit was late, the Director of Business Operations started reviewing previous months' activity and determined tax payments for the past 11 months were late. In addition, the Director of Business Operations discovered the 2017 first quarter 941 payroll report had not been prepared as of June 12, 2018. As a result, the Director of Business Operations met with Ms. Meyer on June 13, 2018 to discuss the delinquent tax payments and first quarter 941 payroll report. According to the Director of Business Operations, Ms. Meyer was asked if the June tax deposit for the May payroll had been made and Ms. Meyer stated it had been made.

However, the Director of Business Operations stated she reviewed the bank account online and did not see a tax payment made. Ms. Meyer was asked to provide the confirmation documentation for the payment; however, Ms. Meyer stated she was unable to locate the confirmation in her office. The Director of Business Operations then asked if the 2017 first quarter 941 report had been filed and Ms. Meyer stated the 941 report had been filed. However, Ms. Meyer was shown a notice received by the District from the Internal Revenue Service (IRS) which showed the 2017 first quarter 941 report had not been filed.

Due to the concerns identified by the Director of Business Operations and discussions with Ms. Meyer, the District placed Ms. Meyer on paid administrative leave on June 13, 2018. On June 14, 2018, the Office of Auditor of State was notified by the District's Director of Business Operations regarding the irregularities. As a result, we performed the procedures detailed in the Auditor of State's report for the period November 28, 2016 through June 15, 2018.

Ms. Meyer also submitted her resignation on June 14, 2018 which was effective as of June 15, 2018. A copy of Ms. Meyer's resignation is included in **Appendix 1**.

Detailed Findings

These procedures identified $645,411.11 of improper disbursements and undeposited collections. The $643,102.49 of improper disbursements identified includes:

- $616,167.85 of penalties and interest to the Internal Revenue Service, Iowa Workforce Development, Iowa Department of Revenue, and IPERS,
- $7,118.25 of excess payroll paid to former District employees,
- $2,974.25 of improper payments issued to current and former District employees,
- $440.20 for overpayment of a child support garnishment,
- $55.92 of interest charges to Northwestern Mutual Insurance,
- $3,081.15 of insurance premiums paid by the District, and
- $12,233.14 of leave time used in excess of authorized.

In addition, we identified undeposited collections of $2,308.62 for an employee's share of IPERS which was paid by the District. All improper disbursements identified are summarized in **Exhibit A** and a detailed explanation of each finding follows.

IMPROPER PAYROLL DISBURSEMENTS

For the period November 28, 2016 through June 15, 2018, we compared the payroll disbursements recorded in the payroll register to employee contracts authorized by the Board for Ms. Meyer. In addition, we reviewed all reports required to be filed monthly, quarterly, and annually for payroll. As a result of these procedures, we identified several improper payroll disbursements which are discussed in detail in the following paragraphs.

IRS 941 Payroll Reports

As the payroll specialist, Ms. Meyer was responsible for duties associated with the District's payroll which included preparing and filing 941 reports (Employer's Quarterly Federal Tax Returns) with the IRS and remitting the payroll tax withheld from the District employees' pay and the District's share of payroll tax to the IRS in a timely manner.

Based on the District's accounting records, tax obligations were remitted to the IRS and Iowa Department of Revenue after each monthly payroll. However, as previously stated, the Director of Business Operations discovered the 2017 first quarter 941 payroll report had not been submitted as of June 12, 2018. The report should have been completed and sent to the IRS by Ms. Meyer. As a result, the Director of Business Operations was concerned Ms. Meyer did not file other 941 reports.

While District officials were cleaning and sorting out Ms. Meyer's desk after her resignation, the Director of Business Operations located an IRS delinquent notification which showed the last 941 report filed by the District was for the 4th quarter of 2016. Therefore, the District owed the IRS the employees' share of payroll tax for all quarters of 2017 and the 1st and 2nd quarters of 2018. A copy of a selected IRS notification is included in **Appendix 2**. According to District representatives, Ms. Meyer received all delinquency notifications; therefore, other District representatives were not aware 941 reports were not submitted. As a result, District officials contacted IRS representatives and obtained copies of all notifications sent to the District.

Because Ms. Meyer did not properly submit the 941 reports, the Director of Business Operations prepared and submitted the 941 reports for all quarters of 2017 and the 1st and 2nd quarter of 2018. Using the IRS notices obtained from the District, we confirmed the estimated tax obligations owed by the District were paid after each monthly payroll. However, the related 941 reports were not submitted. We summarized in **Table 1** the amounts owed or paid in excess, penalties, and interest charges to the IRS for the 941 reports not properly remitted by Ms. Meyer for the period November 1, 2016 through June 15, 2018.

Table 1

	Amount of			
Description	**Owed/(Excess) Payment**	**Penalties**	**Interest**	**Total**
2017 1st quarter *	$ 360.56	111.79	27.32	499.67
2017 2nd quarter	(94.71)	70,698.83	-	70,604.12
2017 3rd quarter	900.74	147,732.72	44.84	148,678.30
2017 4th quarter	(1,058.67)	132,976.23	394.61	132,312.17
2018 1st quarter	(2,044.40)	142,259.68	-	140,215.28
2018 2nd quarter	1,936.48	108,705.02	12.77	110,654.27
Total	$ -	602,484.27	479.54	602,963.81

* - Amounts shown do not include a $0.06 difference in total amount owed to IRS. We were unable to identify the difference; however, it has been included in total for reconciling to IRS report.

As illustrated by the **Table**, the District incurred penalties and interest charges of $602,963.81 for 2017 and 2018. According to supporting documentation available, the District has paid the IRS $602,963.81 as of November 5, 2018. Because Ms. Meyer did not file the 941 reports in a timely manner, the District incurred penalties and interest.

We interviewed Ms. Meyer on November 27, 2018. During the interview, she stated she prepared the 941 reports and provided them to the former Director of Business Operations for his signature and kept a copy for her records. We contacted the former Director of Business Operations to obtain an understanding of who prepared and signed the 941 reports. According to the former Director of Business Operations, Ms. Meyer prepared the 941 reports and provided the reports to him for signature. After a signature was added, he returned the 941 reports to Ms. Meyer for submission.

We obtained copies of the 941 reports prepared by Ms. Meyer and reviewed the 941 reports for signature. We determined the former Director of Business Operations stamp was used on 4 of the 5 reports prepared by Ms. Meyer. The report for 4th quarter of 2016 was the only report signed by the former Director of Business Operations. According to District officials, Ms. Meyer had custody of the former Director of Business Operations and the Board President's signature stamps. As a result, we were unable to determine if the former Director of Business Operations or Ms. Meyer applied the stamp to the 941 reports.

In addition, the 941 reports prepared by Ms. Meyer were dated either near the end of the quarter or within 2 weeks of the quarter end date. As a result, the 941 reports appeared to be prepared and signed in a timely manner. However, the 941 reports for 2017 and 1st quarter of 2018 were not submitted to the IRS. Because reports were not submitted in a timely manner, the District incurred $602,936.81 of penalties and interest. While the penalties and interest were paid, District officials requested a waiver from the IRS which was denied. District officials have filed an appeal.

The $602,963.81 of penalties and interest charges paid by the District are included in **Exhibit A** as improper disbursements.

Iowa Workforce Development

In addition to preparing quarterly reports for the IRS, Ms. Meyer was responsible for preparing and filing quarterly reports with Iowa Workforce Development (IWD). According to a District representative, Ms. Meyer received electronic notifications of any delinquencies, balances, and payments to her work email regarding IWD filings. After Ms. Meyer resigned, District officials were reviewing Ms. Meyer's emails and identified a delinquency notification from IWD for the 1st quarter of 2018. As a result, we reviewed all payments made to IWD for reasonableness and determine if there were any additional penalties or interest charges.

During our review, we identified the District had not filed quarterly reports for all quarters of 2017 and the 1st quarter of 2018. Based on review of the IWD notices, we identified the following:

- 1st quarter 2017, the District was assessed a penalty of $9,345.36.
- 3rd quarter 2017, the District was assessed interest of $20.09.
- 1st quarter 2018, the District was assessed a penalty of $9,612.68.

According to supporting documentation obtained from an IWD representative and the District's bank statements, the penalty and interest assessed in 2017 were subsequently paid to IWD in January 2018 in the amount of $9,365.45. In addition, the penalty assessed in 2018 was waived by the IWD on November 8, 2018. If Ms. Meyer had submitted the IWD quarterly reports in a timely manner, the District would not have been charged $18,978.13 in penalties and interest.

As a result, the $9,365.45 of penalties and interest paid are included in **Exhibit A** as an improper disbursement.

IPERS Penalties and Interest

As part of payroll, monthly wages are reported to the Iowa Public Employee's Retirement System (IPERS). Because Ms. Meyer was the Payroll Specialist, she was responsible for ensuring wages and contributions were properly reported to IPERS in a timely manner. We obtained annual statements from IPERS for November 28, 2016 through June 15, 2018 which showed the District incurred late fees and interest charges. During our review of the annual statements, we identified several late fees and interest charges for the period of Ms. Meyer's employment which have been summarized in **Table 2**.

Table 2

Description	Number of Transactions	Amount
Interest charges	16	$ 2,185.67
Late fees	4	982.50
Total		$ 3,168.17

As illustrated by the **Table**, we identified 20 late fees and interest charges totaling $3,168.17. The late fees ranged from $242.00 to $247.75 and occurred between December 31, 2017 and May 31, 2018. The interest charges ranged from $20.00 to $698.20 and occurred between February 28, 2017 and May 31, 2018. According to IPERS reports, the District incurred late fees due to late submission of monthly reports and interest charges due to wage adjustments and late submissions of monthly reports.

During our interview with Ms. Meyer, she stated she was not the point of contact for IPERS and did not receive any notifications regarding late fees or interest. However, according to a contact log history obtained from a representative of IPERS, Ms. Meyer was emailed and contacted several times between March 2017 and March 2018 regarding interest charges and late wage report fees. In addition, on March 26, 2018, Ms. Meyer received a telephone call by an IPERS representative regarding a late wage report for February. According to the notes in the contact log, Ms. Meyer stated she was aware that the District's account will be charged a late report fee.

Because Ms. Meyer did not remit IPERS monthly wages in a timely manner, the District incurred late fees and interest charges. As a result, the $3,168.17 of late fees and interest charges have been included in **Exhibit A** as improper disbursements.

Iowa Department of Revenue (IDOR)

In addition to preparing monthly reports for IPERS, Ms. Meyer was also responsible for preparing and submitting monthly reports to IDOR. During our interview with Ms. Meyer, she stated she was not the point of contact for IDOR but the former Director of Business Operations was the contact. However, during our review, District officials provided a screenshot of Ms. Meyer's email account and we identified several emails sent to her by IDOR for monthly withholding tax due date reminders.

We reviewed monthly state withholding reports obtained from District representatives for the period November 28, 2016 through June 15, 2018. According to the District's receipt for a tax deposit, on May 23, 2018, the District incurred a penalty of $13,257.60 for failure to file timely and $663.78 of interest charges because the payment was due on May 15, 2018.

According to a letter dated June 19, 2018 from IDOR, the penalty of $13,257.60 was waived because the District filed all other reports timely. However, on July 2, 2018, the District received a letter from IDOR stating the interest charges cannot be waived and there was unpaid withholding tax. As a result of the unpaid withholding tax debt of $663.78, the District incurred interest charges of $6.64. The District owed the IDOR $670.42 as of July 2, 2018. On July 25, 2018, the District remitted a payment of $670.42 to the IDOR. The $670.42 of interest has been included on **Exhibit A** as an improper disbursement.

Excess Payroll

In addition to filing required reports for payroll, Ms. Meyer was responsible for removing all employees who left employment with the District from the payroll system to ensure unauthorized payments were not issued to them. We reviewed all individuals who left employment with the District for the period November 28, 2016 through June 15, 2018 to ensure unauthorized payments were not issued to them.

During our review, we identified 2 employees who received excess pay at the time they left employment with the District because Ms. Meyer did not remove them from payroll in a timely manner. **Table 3** summaries the dates of pay, the employee and the amount paid.

Table 3

			District's Share of		
Date	**Employee**	**Gross Pay**	**FICA**	**IPERS**	**Total**
09/30/17	Employee 1	$ 1,108.28	84.78	98.97	1,292.03
10/31/17	Employee 1	1,108.28	84.78	98.97	1,292.03
05/31/18	Employee 2	3,889.34	297.54	347.31	4,534.19
Total		$ 6,105.90	467.10	545.25	7,118.25

As illustrated by the **Table**, we identified 3 payments totaling $7,118.25 of excess pay, including FICA and IPERS, incurred by the District. According to District representatives we spoke with, Employee 1 was incorrectly paid for 2 months after she left employment with the District which totaled $2,216.56. Employee 2's employment contract started in July 2017 and was to end in June 2018; however, Employee 2 resigned in May 2018 but received a salary for June and a family insurance stipend which were incorrectly paid totaling $3,889.34. As a result, the $7,118.25 of excess pay, FICA, and IPERS is included in **Exhibit A**.

In addition to the 3 employees listed in **Table 3**, we identified a former District official who resigned during Ms. Meyer's employment and was entitled to receive a vacation payout. However, the District discovered the vacation payout was not properly calculated. We reviewed the supporting documentation and determined the calculation was not correct and the employee was underpaid by $62.50. Based on our testing, we did not identify any additional employees who received an incorrect payout when their employment ended. Because the District was aware of the miscalculation and has planned to take corrective action, we did not include the amount in **Exhibit A** as an improper disbursement.

Employees with Similar Names

In addition, a District official identified 2 former District employees with names similar to current District employees who improperly received wages in 2017. According to supporting documentation, Colton Wilson worked for the District during the summer of 2014 and was not employed by the District after this time period. However, Cole Wilson was hired by the District in June 2017. According to payroll registers and check vouchers, we verified checks were issued to Colton Wilson rather than Cole Wilson on June 30, 2017 for $534.76 and on August 31, 2017 for $927.68 which totaled $1,462.44.

During our review of Cole Wilson's payroll register, we determined Cole Wilson received a check on June 30, 2017 in the amount of $534.76 but did not receive a check in August 2017. Since both Colton Wilson and Cole Wilson received wages for the period June 30, 2017, the District issued a duplicate payment. The District improperly paid gross wages of $634.60 to Colton Wilson for June 30, 2017. In addition, the District also incurred excess payroll costs for the District's share of FICA of $48.55. As a result, the District incurred $683.15 of improper payroll costs for the month ended June 30, 2017.

In addition, while the District incorrectly paid Colton Wilson on August 31, 2017, a payment was not issued to Cole Wilson for the month. Therefore, the District had an unpaid obligation to Cole Wilson in the amount of $1,148.13 for gross wages. In addition, the District will incur payroll related costs of $87.83 for FICA. According to a District representative, the District plans to seek reimbursement from Colton Wilson for the August 31, 2017 payment; however, the District had not sought reimbursement during the period of our review. As a result, the District incurred $1,235.96 of improper payroll costs for the month ended August 31, 2017.

We also verified another instance where a former employee received a payroll payment rather than a current employee with a similar name. Although, Amy J. Paul resigned from the District in August 2017, the payroll register showed she was issued 3 payroll checks totaling $1,279.33 for the period November through December 2017. However, we verified $452.80 of the $1,279.33 was returned to the District by Amy J. Paul. In addition, District representatives determined and we verified the remaining $826.53 of the $1,279.33 was properly deposited in the current employee's, Amy E. Paul, bank account but improperly recorded on Amy J. Paul's payroll register.

In addition, during our review of Amy E. Paul's payroll register, we determined she was paid twice during the same pay period. According to the payroll register, Amy E. Paul was paid $905.08 of gross wages on December 1, 2017. However, on December 22, 2017, she received gross wages of $1,396.48 which improperly included the $905.08 from December 1, 2017. According to a District representative, Amy E. Paul received the $905.08 on the December 1, 2017 check but had not yet received the remaining portion of the $1,396.48. As a result, the gross wages of $905.08 and payroll costs for FICA of $69.24 and IPERS of $80.82 which totaled $1,055.14 have been identified as improper.

Because the District's records include overpayments for former employees and overpayments and underpayments for current employees, these individuals received incorrect W-2s for calendar year 2017. According to the District's Director of Business Operations, the W-2s have not been corrected yet but District officials are aware corrective action will need to be taken.

The 2 improper payments to Colton Wilson totaling $1,919.11 and the improper payment of $1,055.14 to Amy E. Paul which totaled $2,974.25 are included in **Exhibit A** as improper disbursements.

Teacher Coverage Pay

During our review, District officials identified several teachers were overpaid due to additional hours worked that were duplicated in the District's accounting system. According to District officials, teachers assigned to cover another teacher's classroom during preparation or release time will be paid $15 if the coverage exceeds 35 minutes in length and occurs more than 3 times per year. While District officials were reviewing payroll for teacher coverage payments, they identified 14 teachers who received excess payments because the District's accounting system showed 2 entries for certain teacher coverage payments.

We reviewed and verified the District payroll register for all teachers receiving coverage payments for the period November 28, 2016 through June 15, 2018. According to a District representative, teachers self-reported the number of instances where they cover for another teacher which included the date, start and end time, and the class. A report was compiled at the end of year summarizing the teachers and the number of instances which was then reviewed and approved by the Principal for each building. After approval, the report was sent to Ms. Meyer to be entered into the District's payroll software.

Based on supporting documentation, we determined duplicate entries occurred for 14 teachers resulting in excess pay. **Table 4** summarizes the total expected to be paid, actual pay, and the difference.

Table 4

Description	Expected Pay	Actual Pay	Difference
Number of Hours	100	159	59
Pay Rate	$15.00	$15.00	$15.00
Total	$1,500.00	$2,385.00	$885.00
Districts Share of:			
FICA 7.65%			67.70
IPERS 8.93%			79.03
Total			$1,031.73

As illustrated by the **Table**, the District incurred $1,031.73 of excess costs, including FICA and IPERS, because Ms. Meyer entered duplicate entries for 14 teachers. As a result, the $1,031.73 of gross wages and payroll related costs for FICA and IPERS are included in **Exhibit A**.

Payroll Deductions Concerns

As previously stated, Ms. Meyer was placed on administrative leave and subsequently resigned. Because Ms. Meyer did not return to the District after she was placed on leave, District officials had to access and organize Ms. Meyer's office in order to complete payroll. According to District officials, while District employees were cleaning out Ms. Meyer's office, they identified several District checks in Ms. Meyer's desk and Ms. Meyer's personal tote bag. Based on discussions with District representatives, Ms. Meyer used her personal tote bag to take work to and from home. The checks were for vendors related to payroll withholdings such as Northwestern Mutual, United Way, and checks for garnishments which were deducted from employee's pay.

During our period of review, the District remitted the payments to the vendors; however, because checks were not mailed to the vendors in a timely manner, we reviewed the vendors to determine if the District incurred any late fees or interest because payments were not submitted in a timely manner. We reviewed the following payroll vendors for which employees have amounts withheld from their pay check:

- Northwestern Mutual Insurance
- United Way
- Valic/Horace Mann Life Insurance
- Performant Recovery, Inc. – garnishment vendor
- Child support

We reviewed payroll registers, check registers, and vendor history reports for the period November 28, 2016 through June 15, 2018 to identify any payments which a late fee or interest was incurred by the District. During our review, we determined $440.20 of child support was improperly withheld from payroll and remitted. According to supporting documentation, the District withheld and forwarded approximately $2,500 per month for employees required to pay child support. The District owed a total of $51,271.93 in child support for the period of our review. However, according to the District's check register, the District paid $51,712.13. Based on discussions with District representatives, the District has requested a refund for the overpayment of $440.20 but their request has been denied. As a result, the $440.20 in overpayment for child support has been included in **Exhibit A** as an improper disbursement.

In addition, we determined the District incurred $55.92 of interest charges from Northwestern Mutual Insurance. The District had 2 current employees and a retired employee for which premiums were to be paid by the District on a monthly basis. However, Ms. Meyer did not remit payment to Northwestern Mutual Insurance for 2 consecutive months which resulted in the District incurring $55.92 of interest charges. According to Ms. Meyer, the remittance payments did not get mailed. As a result, the District had to make an electronic payment because it was late. However, all other payments were remitted by the District during our period of review, so the District did not have any additional losses. The $55.92 of interest has been included in **Exhibit A** as an improper disbursement.

Insurance Deductions

During the period of our review, District officials were contacted by a teacher because the teacher did not receive a paycheck in June 2018. District officials reviewed the teacher's payroll and determined the teacher did not receive a paycheck in June, July, and August of 2018. While District officials were reviewing the teacher's contract, they discovered an error had been made in the system, for the number of months the teacher was to be paid. According to the teacher's employment contract, the contract was to be paid over a 12 month period; however, Ms. Meyer entered the contract in the District's accounting system for a 9 month period.

Because the teacher did not receive a paycheck for June, July, and August 2018, insurance premiums were not withheld. We reviewed the payroll register and verified the teacher did not receive any paychecks and have any insurance premiums withheld for the period June 2018 through August 2018. The insurance premiums for health, dental, and vision paid by the District for the period June 2018 through August 2018 are summarized in **Table 5**.

Table 5

	Insurance			
Month	**Health**	**Dental**	**Vision**	**Total**
June	$ 451.00	48.00	12.80	511.80
July	91.00	57.00	12.80	160.80
August	91.00	57.00	12.80	160.80
Total	$ 633.00	162.00	38.40	833.40

As illustrated by the **Table**, insurance premiums for the 3 months totaled $833.40. Because this amounts listed in the **Table** are the employee's portion of insurance premiums, the District should not incur these costs. According to District officials, the District will attempt to recover the cost of insurance premiums at the beginning of 2019. Because Ms. Meyer did not enter the contract period properly, the District incurred excess costs of insurance premiums for a teacher.

In addition, while District officials were reviewing paid leave balances, they discovered an employee did not have the employee portion of insurance premiums deducted from her paycheck for fiscal year 2018. Based on supporting documentation, the employee's portion of insurance was $176.00 per month. Because Ms. Meyer did not include the insurance premium as a payroll deduction, insurance was not properly withheld. As a result, the District incurred an additional $2,247.75 of insurance costs.

The $833.40 and $2,247.75 of excess insurance premiums totaling $3,081.15 is included in **Exhibit A** as improper disbursements. During our review, District officials had contacted the employee and established a payment plan through a payroll deduction to repay the District. As of November 30, 2018, the District has collected $22.50 in repayments. The $22.50 of repayments is included in **Exhibit A** as a repayment

Leave Used in Excess of Authorized

As previously stated, Ms. Meyer was responsible for tracking para-educators and secretary sick leave, personal leave, family leave, and compensatory time. According to District officials, Ms. Meyer was responsible for manually tracking balances. However, the District implemented a leave management system during fiscal year 2017 but the software was only used to request leave time and not track balances.

During the summer of 2018, District officials received inquiries from employees regarding their leave balances. While District officials were researching leave balances for certain employees, they discovered Ms. Meyer was not properly tracking balances. As a result, District officials started reviewing all leave taken for para-educators and secretaries and compared to authorized leave for each group.

Based on supporting documentation, District officials identified 28 employees who used leave in excess of authorized leave as of June 30, 2018. According to a District representative, because Ms. Meyer did not properly enter employees' authorized balances into the leave management system employees were not prevented from recording leave which resulted in a deficit balance of leave hours. We reviewed and verified the 28 employees identified by the District using leave time in excess of the amount authorized. The 28 employees have been listed in **Exhibit B.**

Of the 28 employees, 19 employees elected to reduce balances received for 2018-2019 school year by the excess used amounts. However, for the remaining 9 employees, the leave used in the 2017-2018 school year exceeded the leave authorized for the 2018-2019 school year. The 9 employees used a total of 1,060.07 hours in excess of authorized which totaled $12,233.14 of excess pay. The excess hours ranged from 20 hours to 494 hours and amounts paid in excess of authorized ranged from $45.98 to $5,443.88. The employee who used hours in excess of authorized by 494 hours was on FMLA at the time the leave was taken and she has subsequently left the District's employment. District officials we spoke with were unclear if they would be able to receive any repayment from this employee.

The $12,233.14 of excess pay is shown in **Exhibit B** and is included in **Exhibit A** as improper disbursements. During our review, District officials had contacted certain employees and establish payment plans through a payroll deduction to repay the District. As of November 30, 2018, the District has collected $2,281.44 in repayments. The $2,281.44 of repayments is included in **Exhibit A** as a repayment.

Ms. Meyer's Payroll

As previously stated, Ms. Meyer was responsible for all payroll functions including her own payroll. We obtained Ms. Meyer's contracts for the period November 28, 2016 through June 15, 2018 to determine if she was properly paid in accordance with the contracts. Based on our review, Ms. Meyer's payroll complied with her contracts. However, Ms. Meyer was received $2,286.59 of gross pay for compensatory time during her employment. Based on our review and other findings identified, it appears Ms. Meyer was not properly completing all areas of her job which resulted in the District incurring interest and penalties on late filings of various payroll reports. Because Ms. Meyer was not performing her duties, we were unable to determine the reasonableness of the compensatory hours earned by Ms. Meyer.

During our review of Ms. Meyer's payroll transactions, we determined she no longer withheld amounts from her gross pay for federal and state income taxes beginning with the payroll issued in June 2017. However, a revised W-4 was not located in the District's records for the change in the amount of the withholdings. Because Ms. Meyer was responsible for preparing payroll distributions, she was able to change her withholding amounts without any oversight. The District did not incur any additional costs as a result of these changes.

UNDEPOSITED COLLECTIONS

As previously stated, Ms. Meyer was responsible for setting up employees in the District's accounting system which included entering deduction amounts for insurance, garnishments, and calculating deductions for IPERS and FICA. According to a District representative, they were calculating IPERS liability and comparing the liability to the expense in the District's accounting system and following up on any variances. As a result, the District identified 4 employees who did not have the proper amount withheld for the employee and/or employer share of IPERS. Of the 4 employees, 3 of the employees did not have the proper amount of the employers share of IPERS withheld based on their IPERS eligible wages. However, when wages were reported to IPERS, IPERS recalculates the amount due based on wages. As a result, the District properly remitted the correct amount to IPERS.

For the remaining employee, based on supporting documentation, the employee was hired as a temporary employee for the period July 2011 through September 2011. However, as a temporary employee, she did not have IPERS withheld as her wages did not meet the requirements. In August 2017, the employee was hired as a full-time teacher which would be an IPERS covered position.

When a District official reviewed her deductions in the accounting system, the District official determined Ms. Meyer used a fixed number of $5.95 instead of 5.95% for the employee share of

IPERS. Because a dollar amount was used instead of a percentage, the employee's portion of IPERS was significantly smaller than it should have been. For one instance, the employee had gross wages of $3,783.41 for February 28, 2018 but had $5.95 withheld for employee's share of IPERS. However, the employee's share of IPERS should have been $225.11. The District had corrected the calculation as of July 2018; however, for the period August 2017 through June 2018, the IPERS calculation was not accurate.

According to a District representative, the District paid the employee's share of IPERS for this employee and plan on seeking reimbursement. **Table 6** summarizes the amount the District paid for the employee's share of IPERS.

Table 6

Description	Amount
Gross wages for FY18	$ 39,900.45
x IPERS Rate	x 5.95%
Total IPERS employee's share	$ 2,374.07
Less: Employee contributions	(65.45)
Amount paid by District	$ 2,308.62

As illustrated by the **Table**, the District paid $2,308.62 for the employee share of IPERS for a District employee. Because Ms. Meyer did not properly calculate the IPERS deduction for the employee, the District paid the employee's share of IPERS contributions.

The $2,308.62 of employee's share of IPERS is included in **Exhibit A** as an improper disbursement.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Marshalltown Community School District to perform bank reconciliations and process disbursements and payroll. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from errors and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be identified within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the District's internal controls.

A. Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. For the period November 28, 2016 through June 15, 2018, the former payroll specialist had control over each of the following areas:

   (1) Payroll – calculating payroll amounts, preparing, signing, and distributing checks, and posting payments to the accounting records and

   (2) Reporting – preparing and filing quarterly and annual payroll reports.

   In addition, all payroll delinquencies notifications were directly sent to the former payroll specialist. We also identified there was no independent review of payroll.

   Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the functions listed above should be segregated among available personnel, including elected officials. In addition, the Superintendent and/or Board members should review financial records, perform reconciliations, and examine supporting documentation for accounting records on a periodic basis.

   Also, delinquent notifications should be delivered to an official who does not have any District payroll functions. In addition, District officials should ensure all monthly and quarterly reports are submitted timely and reviewed by an independent person to ensure accuracy of reports.

B. Payroll – During our review, the following concerns were identified for payroll disbursements:

   (1) Monthly and quarterly reports were not filed in a timely manner resulting in late fees and interest charges totaling $616,167.85 and delinquent notifications were being sent directly to the payroll specialist; therefore, District representatives were unaware of the incomplete filings,

   (2) Distribution of vendor checks for employee payroll deductions were not properly remitted and amounts remitted were not accurate,

   (3) Procedures were not in place to ensure employees did not receive more than their authorized salary amount after employees left employment with the District, and

   (4) Incorrect employees were paid which resulted in incorrect W-2's.

   Recommendation – District officials should ensure payroll checks are included in the disbursement listing approved by the Board. After employment contracts have been approved, an independent person should review the new rates entered into the payroll system, and the payroll register should be reviewed and approved by an independent person each month to ensure employees are being paid per approved contracts and are not receiving any payroll in excess of authorized. Also, employee additions and deletions and changes in pay rates and deductions should be approved in writing prior to being entered in the payroll system. In addition, the District should implement procedures to ensure only current District employees are paid and those no longer employed by the District are removed in a timely manner. Also, District officials should ensure all 941 reports and W-2s are accurate, complete, and submitted in a timely manner.

Exhibits

Report on Special Investigation of the
Marshalltown Community School District

Summary of Findings
For the period November 28, 2016 through June 15, 2018

Description	Exhibit/Page/ Table	Improper
Improper payroll disbursements:		
Internal Revenue Service	**Table 1**	$ 602,963.81
Iowa Workforce Development	**Page 8**	9,365.45
IPERS penalties and interest	**Table 2**	3,168.17
Iowa Department of Revenue	**Page 9**	670.42
Excess payroll	**Table 3**	7,118.25
Employees with similar names	**Page 11**	2,974.25
Teacher coverage pay	**Table 4**	1,031.73
Payroll deductions:		
Overpayment	**Page 12**	440.20
Interest	**Page 12**	55.92
Insurance	**Page 13**	3,081.15
Leave used in excess of authorized	**Exhibit B**	12,233.14
Total improper disbursements		643,102.49
Undeposited collections:		
IPERS monthly deduction	**Table 6**	2,308.62
Total improper disbursement and undeposited collections		645,411.11
Less:		
Repayment of insurance	**Page 13**	(22.50)
Repayment of excess leave	**Page 14**	(2,281.44)
Total repayments		(2,303.94)
Total		$ 643,107.17

Report on Special Investigation of the
Marshalltown Community School District

Report on Special Investigation of the
Marshalltown Community School District

Leave Used in Excess of Authorized
For the period November 28, 2016 through June 15, 2018

Employee	Cumulative Deficit Balance from Prior Year	2018-2019 Authorized Hours	2018-2019 Used Hours	Current Balance	Amount Owed to District	Amount Repaid	Outstanding Balance
Employee 1	(1.25)	13.00	-	11.75	$ -	-	-
Employee 2	(0.50)	40.00	-	39.50	-	-	-
Employee 3	(3.75)	78.00	-	74.25	-	-	-
Employee 4	(1.50)	7.00	-	5.50	-	-	-
Employee 5	(21.50)	84.00	45.00	17.50	-	-	-
Employee 6	(1.00)	14.00	-	13.00	-	-	-
Employee 7	(39.00)	35.00	16.00	(20.00)	314.60	(100.00)	214.60
Employee 8	(9.75)	78.00	15.75	52.50	-	-	-
Employee 9	(3.50)	7.00	-	3.50	-	-	-
Employee 10	(32.00)	35.00	-	3.00	-	-	-
Employee 11	(128.50)	46.38	-	(82.12)	905.02	(164.54)	740.48
Employee 12	(83.50)	7.80	54.75	(130.45)	1,366.23	(1,125.78)	240.45
Employee 13	(85.00)	96.00	266.00	(255.00)	2,383.40	(216.50)	2,166.90
Employee 14	(26.50)	84.00	57.00	0.50	-	-	-
Employee 15	(25.00)	13.00	13.00	-	341.35	(225.96)	115.39
Employee 16	(30.25)	91.00	5.00	55.75	-	-	-
Employee 17	(1.50)	14.00	-	12.50	-	-	-
Employee 18	(16.00)	84.00	-	68.00	-	-	-
Employee 19	(53.00)	42.00	7.00	35.00	570.28	(103.68)	466.60
Employee 20	(19.25)	91.00	8.50	63.25	-	-	-
Employee 21	(1.40)	7.00	-	5.60	-	-	-
Employee 22	(22.00)	78.00	18.00	38.00	-	-	-
Employee 23 *	(389.00)	84.00	189.00	(494.00)	5,443.88	-	5,443.88
Employee 24	(26.85)	91.00	16.75	47.40	-	-	-
Employee 25	(3.50)	7.00	-	3.50	-	-	-
Employee 26	(3.00)	84.00	2.00	79.00	-	-	-
Employee 27	(107.50)	120.00	45.00	(32.50)	459.88	(45.98)	413.90
Employee 28	(46.00)	-	-	(46.00)	448.50	(299.00)	149.50
					$ 12,233.14	(2,281.44)	9,951.70

* - Employee is no longer with the District

Report on Special Investigation of the
Marshalltown Community School District

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Melissa J. Finestead, CFE, Senior II Auditor

Tamera S Kusian

Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Report on Special Investigation of the
Marshalltown Community School District

Copy of Ms Meyer's Resignation

Effective 6/15/18

Marshalltown Community School District

RETIREMENT/ RESIGNATION FORM/LEAVE OF ABSENCE FORM

Date 6/14/18

Request for (check one):

_____ **RETIREMENT**

✓ **RESIGNATION**

Effective__________________ due to ____
Month/Day/Year (Give specific reason for request—i.e. personal, family responsibilities, new job, retire)

_____ **LEAVE OF ABSENCE**

From ___________20____to____________20____ due to___________________________
(Give specific reason for request-i.e. disability, sick, military, personal/family, further education)

Name Allison Meyer (please print) Employee ID Number__________________

Address____
street city state zip

____
home phone school phone cell phone

School/Department______________________Position_____________________________

Allison Meyer 6/14/18
Signature Date

(office use only)
****

REQUEST APPROVED BY HUMAN RESOURCES

Anthony Lanzeta 6/14/18
Director of Human Resources Date

rev 12/21/16
AS

Report on Special Investigation of the
Marshalltown Community School District

Copy of Selected IRS Notifications

IRS
Department of the Treasury
Internal Revenue Service
Ogden UT 84201-0039

Notice	CP161
Tax period	December 31, 2017
Notice date	August 27, 2018
Employer ID number	[redacted]
To contact us	Phone 1-800-829-0115

Page 1 of 5

009867.881159.192140.26864 1 MB 0.424 860

MARSHALLTOWN COMMUNITY SCHOOL
1002 S 3RD AVE
MARSHALLTOWN IA 50158-3329

RECEIVED
AUG 27 2018
MARSHALLTOWN CSD
BUSINESS OFFICE

7

You have an unpaid balance for December 31, 2017

Amount due: $132,312.17

Our records show you have an unpaid balance for the tax period ending on December 31, 2017 (Form 941).

Billing Summary

Tax you owed	$2,347,095.02
Payments you made	-2,348,153.69
Failure to make a proper federal tax deposit penalty	117,430.81
Dishonored payment penalty	15,545.42
Interest charges	394.61
Amount due by September 11, 2018	**$132,312.17**

9/12/2018

What you need to do immediately

Pay immediately
- You must pay the full balance you owe by September 11, 2018, to avoid additional interest charges.

Continued on back...

IRS

MARSHALLTOWN COMMUNITY SCHOOL
1002 S 3RD AVE
MARSHALLTOWN IA 50158-3329

Notice	CP161
Notice date	August 27, 2018
Employer ID number	[redacted]

Payment

- Make your check or money order payable to the United States Treasury.
- Write your Employer ID number [redacted] the tax period (December 31, 2017), and the form number (941) on your payment and any correspondence.

Amount due by September 11, 2018

9000.105 **$132,312.17**

INTERNAL REVENUE SERVICE
OGDEN UT 84201-0039

[redacted] KN MARS 01 2 201712 670 00013231217

Report on Special Investigation of the
Marshalltown Community School District

Copy of Selected IRS Notifications

Notice	CP161
Tax period	December 31, 2017
Notice date	August 27, 2018
Employer ID number	[redacted]
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What you need to do immediately—**continued**

Pay immediately—**continued**

- If you're enrolled in the Electronic Federal Tax Payment System (EFTPS), you can use that method of payment instead of paying by check or money order.
- If you can't pay the amount due, pay as much as you can now and call us at 1-800-829-0115 to discuss your options for paying the remaining balance.
- As a result of the above changes, none of the -$1,058.67 you requested is available to apply to your next tax period.

If you think there's been a mistake

- Call 1-800-829-0115. Have your payment information and a copy of your tax return available to review with us. You can also contact us by mail. Fill out the Contact information section, detach, and send it to us with any correspondence or documentation.

If we don't hear from you

If you don't pay the full balance of $132,312.17 by September 11, 2018, interest will increase.

IRS

MARSHALLTOWN COMMUNITY SCHOOL
1002 S 3RD AVE
MARSHALLTOWN IA 50158-3329

Notice	CP161
Notice date	[redacted]018
Employer ID number	[redacted]

Contact information

If your address has changed, please call 1 800 829 0115 or visit www.irs.gov.

☐ Please check here if you've included any correspondence. Write your Employer ID number (42-6021927), the tax period (December 31, 2017), and the form number (941) on any correspondence.

Primary Phone	Best time to call	Secondary Phone	Best time to call
	☐ a.m. ☐ p.m.		☐ a.m. ☐ p.m.

INTERNAL REVENUE SERVICE
OGDEN UT 84201-0039

[redacted] KN 01 2 201712

Report on Special Investigation of the
Marshalltown Community School District

Copy of Selected IRS Notifications

Notice	CP161
Tax period	December 31, 2017
Notice date	August 27, 2018
Employer ID number	[redacted]
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009867

Payments credited to your account for the tax period ending on December 31, 2017

The total amount of your tax payments is shown below. Please call 1-800-829-0115 if any information is incorrect or missing.

Date received	Amount
November 16, 2017	$781,262.70
December 15, 2017	$777,270.95
January 16, 2018	$789,620.04
Total payments	**$2,348,153.69**

Penalties

We are required by law to charge any applicable penalties.

Failure to make a proper federal tax deposit

Due date	Payment date	Days late	Payment type	Rate	Amount due	Penalty
11/01/2017	11/16/2017	15	EFT	5%	777,570.03	38,878.50
11/08/2017	11/16/2017	8	EFT	5%	428.85	21.44
11/15/2017	11/16/2017	1	EFT	2%	67.25	1.34
12/01/2017	12/15/2017	14	EFT	5%	775,867.70	38,793.38
12/01/2017	01/16/2018	46	EFT	10%	4,532.62	453.26
12/06/2017	12/15/2017	9	EFT	5%	1,403.25	70.16
12/28/2017	01/16/2018	19	EFT	10%	281.23	28.12
01/02/2018	01/16/2018	14	EFT	5%	783,692.17	39,184.61
Total failure to make a proper federal tax deposit					9000.105	**$117,430.81**

We charged a penalty because you did not make a proper tax deposit. Common reasons why we charge this penalty are:

- You did not deposit your tax on time
- You did not deposit enough tax
- You paid your tax directly to the IRS
- You did not deposit your tax electronically, as required by law

For information about depositing taxes, see the Employer's Tax Guide (Publication 15) or the Agricultural Employer's Tax Guide (Publication 51). (Internal Revenue Code section 6656)

Dishonored check or other form of payment

Description		Amount
Total dishonored check or other form of payment	9000.105	**$15,545.42**

We charged a penalty because your bank didn't honor your check or other form of payment. For checks or other forms of payment of $1,250 or more, the penalty is 2% of the amount of the check or other form of payment. For checks or other forms of payment of less than $1,250, the penalty is the amount of the check or other form of payment, or $25, whichever is less. (Internal Revenue Code section 6657)

Continued on back...

Report on Special Investigation of the
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Penalties—**continued**

Designation of deposit

The law allows you to tell the IRS where to apply your deposits within the tax return period with a deposit penalty. You have 90 days from the date of the correspondence you received showing the deposit penalty to contact the IRS if you want to specify where to apply your deposits.

The law also allows the IRS to remove the deposit penalty if: (1) the penalty applies to the first required deposit after a required change to your frequency of deposits, and (2) you file your employment tax returns by the due date.

Removal or reduction of penalties

We understand that circumstances—such as a serious illness or injury, a family member's death, or loss of financial records due to natural disaster—may make it difficult for you to meet your taxpayer responsibility in a timely manner.

We can generally process your request for penalty removal or reduction quicker if you contact us at the number listed above with the following information:

- Identify which penalty charges you would like us to reconsider (e.g., 2016 late filing penalty).
- For each penalty charge, explain why you believe it should be reconsidered.

If you write us, include a signed statement and supporting documentation for penalty abatement request.

We'll review your request and let you know whether we accept your explanation as reasonable cause to reduce or remove the penalty charge(s).

Removal of penalties due to erroneous written advice from the IRS

If you were penalized based on written advice from the IRS, we will remove the penalty if you meet the following criteria:

- You wrote us asking for written advice on a specific issue
- You gave us adequate and accurate information
- You received written advice from us
- You reasonably relied on our written advice and were penalized based on that advice

To request removal of penalties based on erroneous written advice from us, submit a completed Claim for Refund and Request for Abatement (Form 843) to the address shown above. For a copy of the form, go to www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

Interest charges

We are required by law to charge interest when you do not pay your liability on time. Generally, we calculate interest from the due date of your return (regardless of extensions) until you pay the amount you owe in full, including accrued interest and any penalty charges. Interest on some penalties accrues from the date we notify you of the penalty until it is paid in full. Interest on other penalties, such as failure to file a tax return, starts from the due date or extended due date of the return. Interest rates are variable and may change quarterly. (Internal Revenue Code section 6601)

We multiply your unpaid tax, penalties, and interest (the amount due) by the interest rate factor to determine the interest due each quarter.

Period	Days	Interest rate	Interest rate factor	Amount due	Interest charge
01/31/2018 - 03/31/2018	59	4.0%	0.006486345	14486.75	93.97

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Employer ID number	[redacted]
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Intere.t charges—**continued**

Period	Days	Interest rate	Interest rate factor	Amount due	Interest charge
03/31/2018 - 06/30/2018	91	5.0%	0.012542910	14580.72	182.88
06/30/2018 - 08/27/2018	58	5.0%	0.007976304	14763.60	117.76
Total interest					**$394.61**

009867

9000.105

Additional Interest Charges

If the amount you owe is $100,000 or more, please make sure that we receive your payment within 10 business days from the date of this notice. If the amount is less than $100,000, please make sure that we receive your payment within 21 calendar days from the date of this notice. If we don't receive full payment within these time frames, the law requires us to charge additional interest until you pay the full amount you owe.

Additional information

- Visit www.irs.gov/cp161.
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- If you believe your small business has experienced excessive compliance or enforcement actions from any federal agency, you have the right to file a complaint with the Small Business Administration ombudsman. To learn more about your options and the Small Business Regulatory Enforcement Fairness Act, visit www.sba.gov and search for keyword: "ombudsman."
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.