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NEWS RELEASE

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FOR RELEASE

August 25, 2022

Auditor of State Rob Sand today released a report on a special investigation of the Emmetsburg Community School District (District) Student Activity Football Account and selected other activity accounts for the period July 1, 2016 through August 31, 2021. The special investigation was requested by District officials as a result of concerns regarding certain financial transaction and fundraising activities administered by the High School Football Coach, Mike Dunlap. Mr. Dunlap was also the District's Activities Director until the end of the 2020-2021 academic year.

Sand reported the special investigation identified \$16,117.83 of improper disbursements and \$703.00 of unsupported disbursements. The \$16,117.83 of improper disbursements identified includes clothing purchases which should have been reimbursed to the District. The \$703.00 of unsupported disbursements identified includes purchases for which the District could not provide supporting documentation. These purchases included food, equipment, and other items which may have been reasonable for District operations. However, without supporting documentation or information regarding how the purchases met the requirements for use of student activity funds, it was not possible to determine if the disbursements were for District operations or personal in nature.

Sand also reported it was not possible to determine if additional funds were improperly disbursed or if any collections were not properly deposited during the period reviewed because adequate records were not available.

Sand recommended District officials review Board and District policies to ensure they comply with guidance issued by the Department of Education regarding the use of Student Activity Funds and are properly reflected in the District's policies and procedures. Sand also recommended District officials ensure all fundraising events are properly approved and sufficient supporting documentation is maintained for all fundraising activities and disbursements.

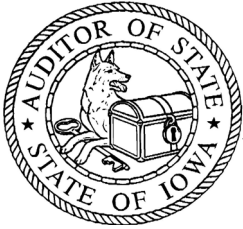
Copies of this report have been filed with the Division of Criminal Investigation, the Palo Alto County Attorney's Office, and the Attorney General's Office. A copy of the report is available for review on the Auditor of State's web site at [Special Interest Reports](#).

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**REPORT ON SPECIAL INVESTIGATION
OF THE
EMMETSBURG COMMUNITY SCHOOL DISTRICT
FOR THE PERIOD
JULY 1, 2016 THROUGH AUGUST 31, 2021**

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Auditor of State's Report

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

As a result of concerns regarding certain financial transactions and fundraising activities and at your request, we conducted a special investigation of the Student Activity Football Account (Football account) and selected other transactions within the District's Student Activity Funds. We have applied certain tests and procedures to financial transactions of the accounts for the period July 1, 2016 through August 31, 2021. Based on discussions with District officials and personnel and a review of relevant information, we performed the following procedures.

- (1) Reviewed documentation obtained from District officials, including an independent investigation report completed by a CPA firm hired by the District, to obtain an understanding of concerns identified by District officials and the procedures performed related to certain actions taken by the Football Coach, Mike Dunlap. Mr. Dunlap was also the District's Activities Director until the end of the 2020-2021 academic year.
- (2) Interviewed District officials and employees to obtain an understanding of an annual football camp's operations and its relationship with the District.
- (3) Reviewed the District's policies to determine the requirements and procedures established for fundraising and accounting for District funds.
- (4) Evaluated the District's internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (5) Obtained and examined District expense and revenue reports and related documents to determine the source of certain deposits and the propriety of certain disbursements.
- (6) Obtained and examined District credit card charges related to the football program and other selected activity accounts to determine the reasonableness of purchases.
- (7) Obtained and examined documents related to fundraising activity for Emmetsburg High School Football and other selected activity accounts and compared the amounts collected to deposits recorded in the District's accounting system to determine if amounts collected were properly recorded and deposited intact. We also obtained information directly from certain vendors to determine the amounts that should have been collected and compared the expected collections to the amounts deposited.
- (8) Interviewed Mr. Dunlap to obtain an understanding of the procedures for fundraising and explanations for certain transactions.

These procedures identified \$16,117.83 of improper disbursements and \$703.00 of unsupported disbursements. We also determined Mr. Dunlap repaid the District \$4,610.86. We were unable to determine if additional funds were improperly disbursed or if any collections were not properly deposited during the period reviewed because adequate records were not available. Our detailed findings and recommendations are presented in the Investigative Summary of this 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 Emmetsburg Community School District, other matters might have come to our attention that would have been reported to you.

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

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

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized with a large, looped "R" and "S".

ROB SAND
Auditor of State

August 9, 2022

Report on Special Investigation of the
Emmetsburg Community School District

Investigative Summary

Background Information

The Emmetsburg Community School District (District) serves approximately 750 students in Palo Alto County. The District has an elementary school, a middle school, and a high school in Emmetsburg, Iowa. The District is governed by a seven-member Board which meets monthly.

The District provides support to the sports, music, and arts programs available for student participation in the District. Individual accounts are maintained within the District's accounting system for each activity. Each student activity is overseen by an adult sponsor. The sponsors may be District faculty members or other adults hired by the District.

Mike Dunlap began employment with the District as the Head Coach for the High School football team on December 1, 1992. As the Head Coach, Mr. Dunlap was responsible for organizing practices and guiding the teams during games as well as collecting and remitting fundraising proceeds, donations, and uniform fees for the teams. Mr. Dunlap assumed the duties of the Activities Director on June 1, 2015 while remaining the Head Coach for the football team. As the Activities Director, he was responsible for supervising all athletic programs for grades 7-12. Mr. Dunlap also developed the Athletic Policies handbook. According to his job description in the handbook, his duties included:

- Requiring all coaches to submit an itemized budget and equipment inventory.
- Supervising and approving all purchase for the athletic department.
- Scheduling and supervising the use and care of all athletic facilities and equipment.

The handbook also states:

- School equipment is not for personal use.
- Athletic coaching clothing shall be furnished by the individual.
- The Activities Director will make all purchasing.

According to District policy, all authorized District purchases are to be made using District purchase orders. Requisitions for items are to be submitted to the purchaser's immediate supervisor for approval and then approved by the Superintendent. If an invoice is received that has been previously approved, but without proper documentation, a payment request form is completed and approved by the immediate supervisor. The payment form includes a spot for the Superintendent's signature. Once approved by the Superintendent, the invoice and payment request form are forwarded to the Business Manager for payment.

According to the handbook, all fund-raising activities conducted by the students and activity sponsors and for the purpose of producing revenue or equipment to enhance the various programs of the District must comply with these requirements:

- Activity sponsor must submit a written request to conduct the project.
- Project must have the approval of the Activities Director and/or building Principal.
- An accurate record of all sales and receipts must be kept.
- All funds raised and disbursement for such shall be under the financial control of the District.
- The Iowa High School Athletic Association (I.H.S.A.A.) and Iowa Girls High School Athletic Union (I.G.H.S.A.U.) have specific rules in regard to summer camps, summer practices, and the beginning of each season. Coaches are expected to comply with all of these rules.

In October 2020, the Superintendent requested financial information for the Student Activity accounts within the District's accounting system to prepare for forming a Student Fundraiser Task Force. Based on the Superintendent's review, he identified concerns with disbursements from the activity fund accounts. On November 1, 2020 District officials contacted the District's CPA firm about concerns regarding past practices with student activity funds and funds not being deposited into a District account. Specifically, District officials requested the firm review concerns pertaining to the Northwest Iowa Football Camp for fiscal year 2020.

The District received an Independent Accountant's Report from the firm in early December 2020 which described procedures they performed for the period July 1, 2019 through November 18, 2020. Because the procedures performed by the firm did not include transactions prior to July 1, 2019, District officials reviewed transactions from fiscal years 2016 through 2019 and identified similar transactions.

District officials met with Mr. Dunlap on approximately November 5, 2020 to discuss the four improper disbursements identified in the firm's report which were related to a football camp which was described as "not a District activity" in the report. The four disbursements totaled \$1,119.29. On December 10, 2020 Mr. Dunlap reimbursed the District \$1,119.29.

On January 22, 2021, the Superintendent met with Mr. Dunlap again. During the meeting, it was agreed that Mr. Dunlap would also reimburse the District for improper expenses paid by the District for the football camps held in fiscal years 2016, 2018 and 2019. On February 11, 2021, Mr. Dunlap reimbursed the District \$1,565.71 for improper expenses identified by District officials for fiscal years 2016, 2018 and 2019.

At the end of the 2020-2021 academic year, Mr. Dunlap was relieved of his duties as the Activities Director; however, he remains employed with the District as the football coach.

As a result of the concerns identified by the District and included in the report provided to the District by their CPA firm, we performed the procedures detailed in the Auditor of State's report for the period July 1, 2016 through August 31, 2021.

Detailed Findings

These procedures identified \$16,117.83 of improper and \$703.00 of unsupported disbursements related to Student Activity Fund accounts and purchases made with the District's credit card which were recorded in the Student Activity Funds.

The \$16,117.83 of improper disbursements identified include:

- \$8,580.10 of disbursements to Creative Stiches and BSN Sports for clothing and related items for the football camps operated Mr. Dunlap and the flag football camps operated by E-Hawks Youth Football. The camps were not sponsored by or affiliated with the District.
- \$2,800.00 of donations to nonprofit organizations.
- \$1,052.99 of food for the football camps operated by Mr. Dunlap and the flag football camps held by E-Hawks Youth Football.
- \$3,684.74 of credit card charges which were not authorized uses of Student Activity Funds in accordance with Department of Education guidelines.

Exhibit A summarizes the costs improperly paid the District for these transactions and repayments made by Mr. Dunlap.

At the end of each school year, the former Business Manager compiled a list of the athletic department fundraisers and the amounts reported as collected from the sponsor. However, the District did not maintain supporting documentation for the amount collected and deposited for each fundraiser. As a

result, it is not possible to determine if any collections were not properly deposited during the period reviewed.

It was also not possible to determine if additional funds were improperly disbursed during the period reviewed because adequate records were not available. The improper and unsupported disbursements identified are discussed in the following paragraphs.

We conducted an interview with Mr. Dunlap on June 21, 2022 to obtain an understanding of his job duties and explanations for the improper and unsupported transactions identified. During the interview, he provided information regarding his job duties as the Activities Director and Head Football Coach and described certain disbursements made from the Student Activity fund. The information Mr. Dunlap provided is described in the following sections of the report.

As previously stated, Mr. Dunlap held a football camp each summer which was not sponsored by or affiliated with the District. The cost of the camp was \$30.00 per child and included a T-shirt. Shirts for the camp were ordered from Creative Stitches. According to Mr. Dunlap, the fees collected for the camps were deposited into an account separate from the District. Mr. Dunlap hired coaches to help run the camps, including members of the football team. According to Mr. Dunlap, the coaches were paid \$25.00 per session or approximately \$200.00 per week depending on the number of morning and/or afternoon sessions they worked. Mr. Dunlap paid the coaches from the account he maintained for the football camp. If funds remained in the account, he also paid himself.

Mr. Dunlap also stated he provided popsicles for the kids and purchased a meal at Pizza Ranch at the end of the camp. According to Mr. Dunlap, he ran the camp the same way it has been done for many years. When the head coach left the District or retired, the next head coach was given the checkbook and continued to run the camp. Mr. Dunlap also stated E-hawks Youth Football, which is a separate non-profit entity, also held flag football camps periodically which were not sponsored by or affiliated with the District.

As explained in the following sections of this report, we reviewed financial activity recorded in the District's accounting records to determine if any transactions related to the football and/or flag football camps were improperly included.

STUDENT ACTIVITY FUND REVENUE

During the period of our review, the District's Football program held an annual BBQ fundraiser during which t-shirts were sold. Discount cards were also sold as a fundraiser for the Football team each year. During our reviewing of the District's accounting records maintained for the Student Activity Funds, we determined many of the deposits were described simply as revenue, fundraising, or with other non-specific descriptions. District officials reported they are revising the descriptions used.

We obtained and reviewed supporting documentation for fundraising events held for the Football Team and other Student Activity accounts for the period July 1, 2016 through August 31, 2021 to determine if fundraising collections were properly remitted to the District. Detailed supporting documentation, such as tally sheets, prenumbered tickets, or reconciliations to related invoices were not available. As a result, it was not possible to recalculate amounts which should have been collected and we were unable to determine if all funds collected were properly recorded and subsequently deposited with the District. However, while sufficient supporting documentation was not available for all collections, the testing we were able to perform with the limited records available is described in the following paragraphs.

BBQ Fundraiser/T-Shirt Sales – Each August, the Football Team hosted a BBQ fundraiser. The event included a free will donation for the meal and t-shirts were sold which were purchased from Creative Stitches. Food items for the fundraiser were usually purchased from Fareway or donated by area business. Although invoices were available showing the costs of the shirts, District officials were unable

to provide information regarding the amount for which the shirts were sold. District officials also confirmed an inventory of shirts is not maintained at the High School.

During an interview on June 21, 2022, Mr. Dunlap stated shirts and other clothing items such as bucket hats and crew neck sweatshirts were sold as part of fundraising for the football team. Mr. Dunlap also stated his wife handled the ordering for the fundraisers. Mr. Dunlap stated that they added \$2.00 to the cost of each clothing item sold at the fundraiser. He also reported the money collected was managed by a group of football parents and only one person was required to count the money collected. The funds collected were deposited with the Business Office.

We obtained from District officials a list of deposits made to the Activity Fund for the BBQ fundraisers from July 1, 2016 through August 20, 2020. District records did not include any purchases or deposits for a BBQ fundraiser and t-shirt sale in the fall of 2020 (fiscal year 2021). The information provided included the amount deposited for the BBQ each year and the amount deposited for the t-shirts sold at the events. We compared the amount deposited for the t-shirts sold to the amount the District paid for the t-shirts. **Table 1** summarizes the total costs and total deposits for each year.

Table 1

Fiscal Year	Total Deposit	Total Cost	Net (Loss) / Revenue
2017	\$ 1,278.00	1,466.50	(188.50)
2018	2,126.00	1,855.00	271.00
2019	2,652.00	2,106.00	546.00
2020	2,253.50	1,905.50	348.00
Total	\$ 8,309.50	7,333.00	976.50

As illustrated by the **Table**, the District recovered the cost of the t-shirts in fiscal years 2018, 2019, and 2020. However, the cost of the t-shirts purchased in 2017 exceeded the amount deposited.

Because we are unable to determine the sales price of the shirts each year and the number of shirts sold, and an inventory was not maintained, we are not able to calculate an expected sales amount to compare to the amount actually deposited with the District.

As stated previously, the amounts collected for the BBQ meal was a free will donation and records were not maintained of the amount collected. As a result, we are unable to determine if all the amounts collected were properly deposited with the District.

Discount Cards – During the period we reviewed, members of the football team sold discount football cards each year. The cards provided purchasers discounts at certain community businesses and were sold for \$15.00 per card. The sale proceeds were split between the District and the vendor at the end of the sale with the District earning \$10.00 per card sold and the remaining the \$5.00 being the vendor’s share. Any cards not sold at the end of the fundraiser were returned to the vendor.

Appendix 1 includes copies of documents related to the fundraising event held in August 2019. As illustrated by the **Appendix** and according to District officials, cash collected by students selling the discount cards was remitted to the vendor and the checks the students collected were deposited by the District. Any remaining amount due to the vendor for their share of the proceeds at the end of the fundraiser was provided with a District check. As illustrated by **Appendix 1**, the District’s share of the proceeds for the 2019 fundraiser totaled \$9,740.00 and \$10,080.00 of check were collected and deposited by the District. The vendor’s \$4,870.00 portion of the proceeds was remitted in \$4,530.00 of cash and a \$340.00 check issued by the District. As required by Chapter 298A of the *Code of Iowa*, all moneys received by a District must be accounted for in the proper fund. Section 298A.8 specifies collections for student-related activities, including fundraising proceeds, must be deposited in the Student Activity Fund. As a result, the cash collected by the students should not be remitted to the vendor.

As illustrated by **Appendix 1**, the vendor calculated the total amount to be remitted for the number of cards sold, considering the amount of cash already remitted. We reviewed similar document for each annual fundraising event held during the period of our review. According to District officials, they did not keep a log or inventory of the number of cards the District received, sold, and returned. In addition, they did not record amounts collected and remitted by students selling the cards. As a result, we were unable to verify the calculations prepared by the vendor for the annual sales and the amount the District should have received for their portion of the proceeds. We did not identify any mathematical errors in the documents prepared by the vendor and available for our review.

However, when we compared the amount of the District's share of the sales proceeds on the vendor's documents to the amounts actually deposited with the District, we determined an excess amount was deposited in fiscal years 2017 through 2019. The excess amount deposited may be the result of individuals making donations to the program in lieu of purchasing a discount card and/or paying more than \$15.00 for a card. However, because independent records were not maintained by the football coaches or sponsors of the number of cards sold and/or the collections received, we are unable to determine if any additional excess funds were collected which were not properly deposited with the District. We are also unable to determine if any unsold cards were held by the students, coaches, or sponsors and not properly remitted to the vendor. If any unsold cards were not properly remitted to the vendor, the District's share of proceeds for the fundraiser would have been reduced by reduced by \$5.00 for each unsold and unreturned card.

District officials also reported there are no fundraiser approvals on file for the annual discount card fundraisers.

Because the District did not keep an inventory of cards received, sold, and returned and relies solely on the vendor to report the number of cards sold and the vendor received the cash for some of the cards sold, the District cannot ensure they received the full amount they were entitled to for all cards sold.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

As previously stated, t-shirts were sold at the annual BBQ fundraiser held for the Football Team and t-shirts were provided to participants of the football camp Mr. Dunlap held each summer.

The District purchased clothing from Creative Stiches and BSN Sports. We reviewed payments made by the District to Creative Stiches and BSN Sports to determine propriety. We also reviewed other disbursements related to the annual BBQ fundraiser such as the purchases from Fareway, to determine propriety. In addition, we scanned purchases made on the District's credit card and disbursements paid to other vendors to determine if there were other improper and unsupported disbursements recorded in the Student Activity accounts.

Using the supporting documentation available from the District; information obtained from selected vendors; internet searches; discussions with District officials; and the vendor, frequency, and amount of the payments, we classified costs charged to the Student Activity accounts as improper, unsupported, or reasonable. We also considered information from the "Student Activity Fund Handbook of Frequently Asked Questions" (Handbook) issued by the Iowa Department of Education (DE) to determine if it was appropriate to use District funds for clothing purchases we tested. Questions and answers from the Handbooks regarding clothing are included in **Appendix 2**. As illustrated by the **Appendix**, a revised edition of the Handbook was issued on March 21, 2022. The **Appendix** also illustrates the answers to the questions listed in the Handbook did not change, but additional information is available in the current Handbook.

Costs we tested were classified as improper if they were personal in nature or not necessary or reasonable for student activities. Costs were classified as unsupported if appropriate documentation was not available or we could not determine if the purchase was personal or related to student activities. Costs were classified as reasonable if adequate supporting documentation was maintained by the District and the cost was necessary and reasonable for student activities.

Creative Stiches – During the period of our review, the District placed clothing orders with Creative Stiches for the athletic department and other school apparel. As previously stated, all purchases are to be made using District purchase orders in accordance with District policy. Requisitions for items must be submitted to the purchaser's immediate supervisor for approval and then approved by the Superintendent. If an invoice is received that has been previously approved, but without proper documentation, a payment request form is completed and approved by the immediate supervisor and the superintendent.

According to Mr. Dunlap, he did not normally seek approval for the purchase of the camp shirts, because he knew they were supposed to come out of the non-District account. He also stated he never knew exactly how many shirts would be needed since more students may show up to the camp than anticipated. However, he did complete payment request forms to be submitted to the District for payment. When asked why, he stated this is the way it had always been done. The payment request forms often included a notation in the description that the shirts purchased were for the camp. The payment request forms were then approved and signed by the Superintendent or his designee.

We requested a vendor payment history for Creative Stiches from the Student Activity Fund, Payment Request forms, copies of all purchase orders, and supporting documentation from the District for the football program. During our review of the available documentation, we identified 21 invoices totaling \$5,160.00 which were improper disbursements of District funds. The invoices are listed in **Exhibit B**. The improper disbursements identified included:

- Six invoices totaling \$2,961.00 which included a notation of “t-shirts” or “Camp” in the P.O. Number field of the invoice. According to Mr. Dunlap, these were for the youth football camp he operated. He reported he purchased them using the student activity funds as the former head coaches prior to him had done. As a result, the \$2,961.00 is improper.
- Two invoices totaling \$801.00 which were for shirts purchased for football players who were part of “Leadership.” Because these were not purchased for the team as part of their uniform, Student Activity funds should not have been used for them.
- An invoice totaling \$619.00 which included a notation of “weightroom” in the P.O. Number field of the invoice. According to Mr. Dunlap, these shirts were for the football players who used the weight room. Because these were not purchased as uniforms, Student Activity funds should not have been used.
- Nine invoices totaling \$348.00 which included a description on the invoice of stitching, screen print, or silkscreen. Because the quantities were small, the stitching, screen printing, and silkscreen services were not for uniforms for the team. As a result, the \$348.00 is an improper use of Student Activity funds.
- An invoice totaling \$193.00 which included a description on the invoice of “Julie’s Order.” Because the purchase and quantity purchased were not consistent with other purchases for the football team and it was labeled as “Julie’s Order”, the \$193.00 is improper.
- Two invoices totaling \$156.00 which included the notation “flag football” in the P.O. Number field of the invoice. Mr. Dunlap stated the camp was held by E-hawks Youth Football, which is a non-profit entity not affiliated with the District. He also stated the \$156.00 total of the two invoices had been included in the repayment made to the District in December 2020. Because the camps were not sponsored by the District, the shirts purchased for flag football camps are an improper use of Student Activity funds.
- Two invoices totaling \$82.00 which included \$41.00 for the purchase of 3 “dri-fit shirts” and \$41.00 for a jacket. Because these were not purchased for the team as part of the uniform and are personal in nature, the \$82.00 is an improper use of District funds.

Mr. Dunlap also stated the August 2020 football camp was held and all revenue and expenses were recorded in the Northwest Iowa Football account and not the District. We did not identify any payments from District funds related to the 2020 football camp or additional flag football camps.

Because these purchases are not an allowable use of Student Activity funds, the \$5,160.00 is included in **Exhibit A** as improper disbursements.

BSN Sports – The District purchased football uniforms from BSN Sports. They also purchased footballs, nets, other equipment used by the athletic department, and Gatorade performance packages from the vendor. Because BSN Sports also sells shirts, hats, and other clothing items, we obtained detailed invoices for all BSN Sports purchases related to the football program, as well as a vendor payment history from the Student Activity Fund using the District’s accounting system.

As illustrated by **Appendix 2**, the Student Activities Handbook issued by DE states, in part, “public funds may only be spent for the public benefit. Student Activity Funds are public funds; therefore, the district must determine the propriety and document the public purpose and public benefit to be derived. Districts should establish a policy to preclude purchases of personal clothing from public funds, and/or define the exceptions, if any, including the requirement for board consideration, documentation of public purpose, and approval.”

We reviewed the BSN Sports purchases related to the football program to determine the propriety of the purchases. Based on the guidance provided by DE, we determined 15 invoices included improper purchases totaling \$3,420.10. The 15 invoices are listed in **Exhibit C**. As illustrated by the **Exhibit**, the improper purchases include coach’s apparel, women’s apparel, hats, and other clothing items. In addition, the \$3,420.10 of improper disbursements identified included \$59.53 of interest charges resulting from late payments. As shown by the **Exhibit**, many of the items ordered were in limited quantities and are not items typically related to uniforms.

During the interview with Mr. Dunlap, he stated he frequently made personal purchases through BSN Sports and paid for the purchases from his personal account. We provided a list of invoices paid by the District to Mr. Dunlap and asked him to determine whether the items were purchased for himself or for District operations. Mr. Dunlap identified numerous items that were ordered from BSN Sports and paid by the District for his personal use. These items are included on **Exhibit C**.

Mr. Dunlap provided a list of payments made to BSN Sports from his personal account. However, none of the payments were for the items listed in **Exhibit C**. He explained that he may have gotten mixed up with the invoices he submitted to the District for payment.

Because these purchases and interest charges listed in **Exhibit C** are not related to District operations, the \$3,420.10 is included in **Exhibit A** as improper disbursements.

Camp Expenses – According to District officials we spoke with, the District sponsors several athletic camps each year and all related financial transactions are processed through the District’s accounting system. We requested a list of all disbursements from the Student Activity fund for all activities. We reviewed all invoices paid by the District and identified invoices which specified they were for a camp or were for purchased made around the time camps were held in July and August. In addition, District officials identified other disbursements which they believed were related to camps even though the description was not “Camp”.

By reviewing the supporting documents provided for our review, we identified \$3,852.99 of improper and \$684.59 of unsupported disbursements from the Student Activity funds. **Exhibit D** lists the improper and unsupported disbursements identified. Examples of improper disbursements included:

- \$2,000.00 paid to Emmetsburg Ed Foundation. The District issued a check for \$500.00 each May or June to the Foundation for a scholarship. DE guidance states issuing a scholarship is not an appropriate use of student activity funds.
- \$400.00 paid to E-Hawk Booster Club. The District issued four checks for \$100.00 each to the Booster Club to sponsor a hole for an annual golf tournament to raise funds for the Booster Club which is a separate nonprofit entity. In accordance with DE guidance, using Student Activity funds to help a nonprofit raise funds is not appropriate.
- \$400.00 paid to E-Hawk Youth Football. The District issued two \$200.00 checks to E-Hawk Youth football which is operated by Mr. Dunlap. The District was unable to provide supporting documentation for check 57304 issued on May 17, 2017 for \$200.00. The

support provided by the District for check 59372 issued on April 23, 2018 described the payment as “E-Hawk Flag Football Sponsor” and showed it was for a banner placed on the bleachers. Because Flag Football is not a District activity and was run by E-hawks Youth Football organization, check numbers 57304 and 59372 for \$200.00 each are improper.

- \$954.52 was paid to various vendors for food items. Based on support provided by the District, the disbursements included:
 - \$399.94 to the Hot Lunch Fund for breakfast for leadership and
 - \$312.75 to Pizza Ranch for meals described as related to a volunteer visit to a nursing home, Football Managers meeting for the football camp, and a team meal on Labor Day.

The \$954.42 also included 6 reimbursement checks totaling \$181.99 issued to Mr. Dunlap. The 6 checks included:

- \$79.90 for donuts for the weight room.
 - \$47.09 for a Mountain Dew and 3 large breakfast pizzas for the weight room,
 - \$22.50 for toaster pastries for “football breakfast week 1”, however the receipt was dated August 5, 2018 which is the time the football camp is usually held,
 - \$32.50 for 11 cereal bars described as for football practice Labor Day. The receipt was dated September 1, 2019 at 6:18pm.
- \$45.00 paid to the Iowa Football Coaches Association. In accordance with DE guidance, individual association membership fees for staff members cannot be paid from the Student Activities fund. If the membership is required by the District, it should be paid from the General Fund.
 - A payment of \$20.97 to Swanson Hardware for gold spray paint for the weight room. This charge was coded to the Football Activity Fund. The purchase of paint for the weight room is an allowable expense for the District. However, the paint should be charged to the District’s General Fund and not to the Student Activities fund.

In addition to disbursements from the football account, we reviewed expenses recorded in the District’s accounting system related to “Camp(s)” including disbursements to Creative Stitches for other student activities to determine if supporting documentation was available, whether coaches apparel was purchased and whether the purchases met the test of public purpose. As a result of the testing performed, we did not identify any additional improper or unsupported disbursements.

Credit Card Disbursements for Football – The District’s Athletic Department has one credit card, which is used when employees are unable to use a District purchase order. When the credit card is used, an itemized receipt is to be provided to the business office. Business office staff reconcile the receipts to the credit card statement prior to payment. District policy states that a log of all activity showing the date, person that checked out the credit card, and the date of card return is to be kept.

District policy allows athletes/participants and coaches/sponsors to receive a \$10 per day stipend for state events. Breakfast is only provided after an overnight stay, unless the hotel provides breakfast. Lunch is provided if mid-day attendance is required. Dinner is provided only if return from the event is after 5pm.

District policy requires detailed receipts to be turned in with the credit card. When charging meals, attendees names, conference and date are required. Itemized receipts are required to include the reason for the purchase and any individuals in attendance.

We obtained a listing from the District's accounting system of all purchases made using the Athletic Department's credit card. District officials highlighted all purchased made by Mr. Dunlap for the football program. In addition, we scanned charges made using the District's credit card to identify other charges which may have been related to the football camps based on the date and the vendor name. We requested supporting documentation for all purchases for the football program using the credit card. **Exhibit E** lists the improper and unsupported charges we identified.

Based on the supporting documents provided by the District, District policies, and DE guidance for the use of Student Activity Funds, we identified \$3,684.74 of improper purchases made with the Athletic Department's credit card for the football program. The improper charges included.

- \$893.12 for Leadership. We identified three charges totaling \$261.61 for books and two charges totaling \$354.21 for lunchboxes. Based on notations made by the District staff, these purchases were for the senior leadership class.
- \$277.10 for dog tags. We identified a charge at the end of each school year for dog tags purchased for the senior leadership class.
- \$194.02 of hotel charges and clinic registration fees. We identified two charges for hotel and registration fees for coaches' family members. Notes included on the support stated they were to be repaid. However, District officials were unable to provide support showing the amounts had been repaid.
- \$1,392.18 for novelty items. We identified three charges for homecoming and parade novelty items. According to DE guidance released in 2022, novelty items would not constitute ordinary and necessary expenses to operate the student co-curricular and extracurricular activity program. This was not included in DE's guidance prior to 2022. However, because the intent of the student activity funds is to benefit student activities and the novelty items were distributed during parades rather than benefitting the students, the \$1,392.18 is an improper use of Student Activity funds.

The \$3,684.74 of improper charges listed **Exhibit E** are included in **Exhibit A**.

Other Credit Card Disbursements – In addition to the credit card purchases made for the football program, we selected the certain credit card statements and reviewed all the charges for the month to determine if they were properly supported; necessary and reasonable for the District's operations; and complied with DE guidance and District policies.

Of the 88 charges listed on the statements selected for testing \$13,836.46 of the \$18,355.90 of total purchases were from Amazon. District officials provided us copies of the supporting documentation for the Amazon purchases. Based on our testing, we did not identify any improper or unsupported disbursements from Amazon.

We also selected other charges to test based on the vendor's name and services they provide, such as charges at restaurants, coffee shops, and Google. For the transactions tested, District officials could not provide supporting documentation or document the public purpose served for three charges, including:

- a \$6.04 purchase at Sidecar Coffee,
- a \$9.71 purchase at The Other Place restaurant, and
- a \$2.66 purchase at Whitey's Ice Cream.

District policy requires supporting documentation for all charges and the public purpose for the charges. Without adequate supporting documentation, we are unable to determine if these were for District activities. As a result, the \$18.41 is included on **Exhibit A** as unsupported disbursements.

REPAYMENT

District officials met with Mr. Dunlap and requested reimbursement for the expenditures identified in the CPA firm's report as related to the Northwest Iowa Football Camp and additional disbursements the District identified during their internal review. As a result of the meeting Mr. Dunlap reimbursed the District \$1,119.29 on December 10, 2020 and a \$1,565.71 on February 11, 2021.

In addition, a notation made on a Purchase Request form when the District paid an invoice to BSN Sports indicates Mr. Dunlap paid the District \$122.00 for a portion of the \$346.68 invoice from the vendor. As illustrated by **Exhibit C**, the District paid BSN Sports \$346.68 for 18 hats based on an October 2, 2019 invoice. The District provided documentation to show he paid the District \$122.00 for a portion of the invoice on August 15, 2018. As a result, we have included this amount in **Exhibit A** as a repayment.

As previously stated, we met with Mr. Dunlap on June 21, 2022. During the meeting, we provided him a listing of certain transactions and asked for additional information about them. After the meeting, he issued a \$1,803.86 check to the District on June 24, 2022. He did provide an itemized listing of the transactions included in the \$1,803.86.

The repayments from Mr. Dunlap are included in **Exhibit A**.

OTHER ADMINISTRATIVE ISSUES

Rental Fees - According to District officials, there were no contracts with the Northwest Iowa Football Camp for the use of District facilities, and rental fees were not collected. However, Mr. Dunlap reported he used District facilities for his camp.

Emmetsburg School Board Policy 905.1 states, "buildings and sites and equipment of the school district will be made available for a fee to local nonprofit entities which promote cultural, educational, civic, community, or recreational activities. Further, organizations that wish to use the school district property must obtain approval from the Superintendent's office." However, District officials did not enforce the policy prior to May 2021 for any organizations. As a result, we have not included any uncollected fees in **Exhibit A**.

In addition, DE guidance states, "When a coach employed by the district sponsors a summertime, out[of] season camp or clinic, student participation must be voluntary and there can be no use of district funds." The guidance further explains that a camp under the model which all accounting and bookkeeping is done apart from district funds should be charged rent for district facilities at fair market rental value.

Disbursement Approval – As stated previously, District policy states that District purchases require an approved purchase order prior to purchase. When written documentation is not available at the time of the purchase, then the sponsor should complete a payment request form which is approved and signed by the superintendent. The superintendent should be familiar with District /Board policies as well as Department of Education guidance and should provide a detailed review of the items purchased prior to approval. The Business Manager serves as last checkpoint for approved purchases and should be aware of the Student Activity Fund structure and requirements. Invoices should not be paid until any questions regarding the public purpose have been resolved. However, based on our testing these oversight functions were not sufficiently carried out.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Emmetsburg Community School District to process Student Activity Fund transactions. 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 noted 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 Booster's and the District's internal controls.

- A. Approval of Fundraisers – In accordance with District policy, all fundraisers must be approved by the Superintendent, Principal, or designee. However, approval documents were not available for Football Team's annual fundraising activity.

Recommendation – District officials should ensure all fundraisers are properly approved and the approval is documented. In addition, District officials should ensure all student activity sponsors are aware of and comply with District's policies.

- B. Fundraiser Proceeds – Chapter 298A of the *Code of Iowa* requires all moneys received by a District be accounted for in the proper fund. Section 298A.8 specifies collections for student-related activities, including fundraising proceeds, must be deposited in the Student Activity Fund. However, cash collected by students for the Football Team's annual discount card sale was remitted to the vendor rather than being deposited with the District.

In addition, records independent of those available from the vendor were not maintained by the football coaches or sponsors, such as a log or inventory of the cards received, sold, and returned and the amounts collected and remitted by the students.

Recommendation – District officials should ensure all coaches or sponsors holding fundraising events maintain sufficient records which document the amount of collections expected, the amounts received, and the amounts actually deposited. These amounts should also be compared by an independent party and any differences investigated and resolved in a timely manner.

- C. Disbursements – During our review of disbursements, the following concerns were identified:

- (1) The current policy states that the superintendent must approve purchases prior to the order being placed. In instances where an invoice that was previously approved is received, but without proper documentation, staff complete a payment request form and submit the form to the supervisor. For the disbursements tested for the football account, payment request forms were not located.
- (2) Disbursements were not consistently supported by invoices or other appropriate documentation as required by District policy.
- (3) The District disbursed \$16,117.83 to various vendors for expense not related to District operations.
- (4) Clothing and other spirit items, including embroidered or personalized items, were provided to coaches and students. However, in accordance with DE guidance and Article III, Section 31 of the Constitution of the State of Iowa, public funds may only be spent for public benefit and not for the purchase of personal clothing for coaches and/or students.

Prior to October 20, 2021, the Board did not allow the purchase or reimbursement of coaching/sponsor apparel. However, as of October 20, 2021, coaches/sponsors are eligible to be reimbursed up to \$100.00 per sport/activity for coaching/sponsor apparel to be worn

at school or at school events. The reimbursement is to be made from the general fund and not the student activities fund.

Recommendation – District officials should also ensure all disbursements are supported by adequate supporting documentation maintain sufficient and comply with DE guidance for the use of student activity funds and comply with District policies and procedures. Including the use of purchase orders and payment request forms.

D. Credit Cards – The District’s credit card policy states that credit cards are to be checked out from the Business Manager. A log of all activity showing date, the person that checked it out, and the date the card was returned is maintained. Detailed receipts should be turned in with the card. If a conference provides a meal, it will not be reimbursed. During our review of the credit card transactions, the following concerns were identified:

- (1) No log was maintained during the period of our investigation.
- (2) Receipts do not state a clear public purpose.
- (3) Receipts were not always provided/retained for charges on the credit card.
- (4) Attendee information is not consistently provided with receipts for food.

Recommendation – District officials should ensure a log of all activity showing date, person that checked it out, and the date the credit card was returned is maintained. Detailed receipts should be turned in with the card. If a conference provides a meal, it will not be reimbursed. In addition, detailed supporting documentation should be maintained for all disbursements, and the District should ensure all disbursements comply with DE guidance and meet the test of public purpose or that public purpose is clearly documented.

E. Receipts – Receipts were not issued for collections. Supporting documentation for various fundraising events and District operated camps were not maintained or was incomplete. As a result, we are unable to determine the total amount of collections.

Recommendation – District officials should ensure sufficient supporting documentation is maintained for all collections. An independent person should reconcile the amount collected to the supporting documentation to ensure completeness. In addition, an independent person should reconcile the amount deposited to total collections to ensure all collections are properly deposited. Any variances identified during reconciliations should be addressed and resolved in a timely manner.

F. Oversight – The District provides information regarding the use of activity funds to faculty by providing them a copy of the Business Procedures Manual, Athletic Policy Handbook, and referencing the Department of Education’s “Frequently Asked Questions (FAQ’s) Regarding the Student Activities Fund.” We determined the former Business Manager, former Activities Director, and former superintendents did not provide adequate oversight of the Student Activity funds even though they had access to the above guidance.

Recommendation – District officials should implement procedures, including adequate training, to ensure faculty, including coaches, receive sufficient training regarding the proper procedures for financial transactions in accordance with requirements established by the BOEE, DE, and the District’s own policies and procedures. In addition, the Actives Director should monitor the use of student activity funds to endure compliance with DE and District policies.

Exhibits

**Report on Special Investigation of the
Emmetsburg Community School District**

Report on Special Investigation of the
Emmetsburg Community School District

Summary of Findings
For the Period July 1, 2015 through June 30, 2021

Description	Exhibit/Table/ Page Number	Improper	Unsupported	Total
Improper and unsupported disbursements:				
Creative Stitches	Exhibit B	\$ 5,160.00	-	5,160.00
BSN Sports	Exhibit C	3,420.10	-	3,420.10
Disbursements to other vendors	Exhibit D	3,852.99	684.59	4,537.58
Credit card disbursements for football	Exhibit E	3,684.74	-	3,684.74
Other credit card disbursements	Page 13	-	18.41	18.41
Total improper and unsupported disbursements		16,117.83	703.00	16,820.83
Repayments from Mr. Dunlap:				
December 10, 2020	Page 14	1,119.29	-	1,119.29
February 11, 2021	Page 14	1,565.71	-	1,565.71
August 15, 2018 BSN Repayment	Page 14	122.00	-	-
June 24, 2022	Page 14	1,803.86	-	1,803.86
Total repayments		4,610.86	-	4,488.86
Net improper and unsupported disbursements		\$ 11,506.97	703.00	12,331.97

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Purchases from Creative Stiches
For the Period July 1, 2015 through June 30, 2021

Per Vendor Invoice

Date	Invoice Number	Quantity	Description
07/25/16	3627	170	8000b graphite heather 10 ysm, 15 ymed, 15 yl, 2000b graphite heather 15 yxl, 8000 graphite heather 25 sm, 30 med, 30 lg, 30 xl
		4	8000 graphite heather 20 2xl, 4 3xl
		1	8001 graphite heather 1 4xl
		14	nike shirts silkscreen only
07/28/16	3643	24	stitching only bucket hats
		3	stitching only stocking hats
07/29/16	3644	12	stitching only
08/22/16	3719	2	8000 white 1 sm, 8000b white 1 ylg
03/29/17	5949	32	ST360 PERFORMANCE T-SHIRT (GRAPHITE HEATHER) 1 SMALL, 12 MEDIUM, 8 LARGE, 11 XLARGE
		4	ST360 PERFORMANCE T-SHIRT (GRAPHITE HEATHER) 3 XXLARGE, 1 XXXLARGE
06/16/17	6194	13	stitching only
07/10/17	6184	11	stitching only
08/28/17	6402	6	8000 graphite healther 1 med, 4 lg, 1 xl
08/29/17	6415	1	1449 carbon heather lg
		1	18000 graphite heather lg
		2	1575 black sm, lg
		1	1484 steel heather/black lg

Bill To	P.O. No.	Rate	Amount	Improper	Reasonable	
emmetsburg High school Football	football tees	\$ 7.00	\$ 1,190.00	-	1,190.00	
			9.00	36.00	-	36.00
			10.50	10.50	-	10.50
			2.50	35.00	35.00	-
				<u>1,271.50</u>		
emmetsburg High school Football	hats	5.00	120.00	-	120.00	
		5.00	15.00	15.00	-	
			<u>135.00</u>			
emmetsburg High school Football	pullovers	5.00	60.00	60.00	-	
			<u>60.00</u>			
emmetsburg High school Football	camp	7.00	14.00	14.00	-	
			<u>14.00</u>			
emmetsburg High school Football	DUNLAP-EVERY...	9.00	288.00	288.00	-	
		11.00	44.00	44.00	-	
			<u>332.00</u>			
emmetsburg High school Football	polo	5.00	65.00	65.00	-	
			<u>65.00</u>			
emmetsburg High school Football	shirts	5.00	55.00	55.00	-	
			<u>55.00</u>			
emmetsburg High school Football	flag football	7.00	42.00	42.00	-	
			<u>42.00</u>			
emmetsburg High school Football	Julie's Order	35.00	35.00	35.00	-	
		15.00	15.00	15.00	-	
		24.00	48.00	48.00	-	
		38.00	38.00	38.00	-	

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Purchases from Creative Stiches
For the Period July 1, 2015 through June 30, 2021

				Per Vendor Invoice
Date	Invoice Number	Quantity	Description	
		1	8400 graphite heather sm	
		2	6051 prem. heather/black med, xl	
		1	6937 smoke grey xl	
05/08/18	7126	46	42700 black 11 med, 23 lg, 12 xl	
		6	47000 black 2 lg, 4 xl	
		3	47000 black 2xl	
		2	47000 black 3xl	
07/24/18	7338	59	8000b white ymed, 2 ylg, 5000b white 2 yxl, 8000 white 12 sm, 15 med, 13 lg, 13 xl,	
		4	8000 White 2xl	
		2	8000 White 2 3xl	
08/06/18	7372	76	8000b white 1 ysm, 4ymed, 10 ylog, 3 yxl, 8000 white 16 sm 15 med, 20 lg, 7 xl	
		1	8000 white 2xl	
08/08/18	7396	1	47000 marbled charcoal xl	
		2	47400 marbled charcoal lg, xl	
08/13/18	7403	1	229545 black carbon print 2xl	
08/29/18	7458	11	8000 graphite heather 2 lg, 9 xl	
		2	8000 graphite heather 4xl	

Bill To	P.O. No.	Rate	Amount	Improper	Reasonable
		12.00	12.00	12.00	-
		15.00	30.00	30.00	-
		15.00	15.00	15.00	-
			<u>193.00</u>		
emmetsburg High school Football	leadership	8.00	368.00	368.00	-
		8.00	48.00	48.00	-
		10.00	30.00	30.00	-
		11.50	23.00	23.00	-
			<u>469.00</u>		
emmetsburg High school Football	camp	7.00	413.00	413.00	-
		9.00	36.00	36.00	-
		10.50	21.00	21.00	-
			<u>470.00</u>		
emmetsburg High school Football	camp	7.00	532.00	532.00	-
		9.00	9.00	9.00	-
			<u>541.00</u>		
emmetsburg High school Football	dri fit	11.00	11.00	11.00	-
		15.00	30.00	30.00	-
			<u>41.00</u>		
emmetsburg High school Football	jacket	41.00	41.00	41.00	-
			<u>41.00</u>		
emmetsburg High school Football	flag football	8.00	88.00	88.00	-
		13.00	26.00	26.00	-
			<u>114.00</u>		

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Purchases from Creative Stiches
For the Period July 1, 2015 through June 30, 2021

Per Vendor Invoice

Date	Invoice Number	Quantity	Description
05/29/19	8063	56	8000 gold 6 sm, 16 med, 16 lg, 8 xl
		2	8000 gold 2xl
		1	8000 gold 4xl
		9	47000 marbled charcoal sm, 2 med, lg, 5 xl
		3	47000 marbled charcoal 3 2xl
		1	47000 marbled charcoal 3xl
07/31/19	8238	73	8000b white 8 ylg, 8000 white 19 sm, 14 med, 20 lg, 12 xl
		8	8000 white 8 2xl
		2	8000 white 2 3xl
		1	8000 white 4xl
08/06/19	8264	14	silkscreen only 1 color front
08/06/19	8262	24	8000b white yxl, 8000 sports grey 6 sm, 4 med, 13 lg
		1	8000 white 2xl
08/19/19	8288	9	stitching only
08/19/19	8287	1	stitching only
09/05/19	8363	2	nike screen print
		1	stitching

Bill To	P.O. No.	Rate	Amount	Improper	Reasonable
emmetsburg High school Football	weightroom	8.00	448.00	448.00	-
		10.00	20.00	20.00	-
		11.50	11.50	11.50	-
		10.00	90.00	90.00	-
		12.00	36.00	36.00	-
		13.50	13.50	13.50	-
				<u>619.00</u>	
emmetsburg High school Football	camp	8.00	584.00	584.00	-
		10.00	80.00	80.00	-
		11.50	23.00	23.00	-
		13.00	13.00	13.00	-
				<u>700.00</u>	
emmetsburg High school Football	nike shirts	3.25	45.50	45.50	-
			<u>45.50</u>		
emmetsburg High school Football	camp	8.00	192.00	192.00	-
		10.00	10.00	10.00	-
			<u>202.00</u>		
emmetsburg High school Football	pullovers	6.00	54.00	54.00	-
			<u>54.00</u>		
emmetsburg High school Football	polo	6.00	6.00	6.00	-
			<u>6.00</u>		
emmetsburg High school Football	shirts	3.25	6.50	6.50	-
		6.00	6.00	6.00	-
			<u>12.50</u>		

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Purchases from Creative Stiches
For the Period July 1, 2015 through June 30, 2021

Per Vendor Invoice			
Date	Invoice Number	Quantity	Description
09/19/19	8402	94	8000b sports grey 11 ysm, 31 ymed, 23 ylg, 8000 sports grey 20 sm, 3 med, 5 lg, 1 xl

Total

^ - The quantity shown on the invoice totaled 56, but the number of shirts in the description portion of the invoice totaled only 46. Based on the quantities shown, it appears the invoice should have reflected 16 small shirts instead of 6. If 16 small shirts were delivered, the total item price of \$448.00 paid by the District was appropriate. If only 6 small shirts were delivered, the District should have paid \$80.00 less. Because an inventory of shirts received by the District was not available, we were unable to definitively determine the number of shirts received by the District.

Bill To	P.O. No.	Rate	Amount	Improper	Reasonable
emmetsburg High school Football	tee shirts	11.00	1,034.00	1,034.00	-
			<u>1,034.00</u>		
			<u>\$ 6,516.50</u>	<u>5,160.00</u>	<u>1,356.50</u>

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Purchases from BSN
For the Period July 1, 2015 through June 30, 2021

Per Vendor Invoice

Date	PO Number	Invoice Number	Item Description	Quantity
07/22/16	Mike Dunlap	98071948	SLE ELITE HYB JKT BK/SUNDN XLG	1.00
			SLE ELITE 1/2 ZIP BK/SUNDN MED	1.00
			SLE ELITE 1/2 ZIP BK/SUNDN XLG	1.00
			SLE ELT COACH POLO BK/SUNDN XLG	1.00
			SLE MODERN CREW BLACK XLG	1.00
			SLE FLY XL SHORT BK/SUNDN MED	1.00
			SLE FLY XL SHORT BK/SUNDN LRG	1.00
			SLE SIDELNE BEANIE BLK/BLK OSFA	3.00
			SLE BUCKET HAT KHAKI L/XL	24.00
			Freight	1.00
			Interest	-
08/03/16	Julie Dundap	98101125	TEAM KO CREW ANTHRACT LRG	1.00
			LWO External Decoration	1.00
			Freight	1.00
			Interest	-
08/16/16	Mike Dunlap	98139528	FLAT FRONT SHORT KHAKI 36	2.00
			FLAT FRONT SHORT BLACK 36	1.00
			FLAT FRONT SHORT DK GREY 32	1.00
			FLAT FRONT SHORT KHAKI 3632	1.00
			Freight	1.00
Interest	-			
09/14/16	Julie Dundap	98249264	TEAM KO CREW ANTHRACT LRG	8.00
			TEAM KO CREW ANTHRACT 3XL	1.00
			TEAM KO CREW ANTHRACT MED	6.00
			TEAM KO CREW ANTHRACT SML	4.00
			TEAM KO CREW ANTHRACT XLG	3.00
			TEAM KO CREW ANTHRACT XXL	2.00
			LWO External Decoration	24.00
			Freight	1.00
Interest	-			

	Per Item Cost	Total	Improper	Allowable
\$	54.00	\$ 54.00	54.00	-
	45.00	45.00	45.00	-
	45.00	45.00	45.00	-
	42.00	42.00	42.00	-
	38.00	38.00	38.00	-
	27.00	27.00	27.00	-
	27.00	27.00	27.00	-
	17.00	51.00	51.00	-
	18.00	432.00	-	432.00
	53.27	53.27	53.27	-
	34.94	34.94	34.94	-
		<u>849.21</u>		
	40.00	40.00		40.00
	-	-		-
	8.00	8.00		8.00
	1.78	1.78	1.78	
		<u>49.78</u>		
	48.00	96.00	96.00	-
	48.00	48.00	48.00	-
	48.00	48.00	48.00	-
	58.00	58.00	58.00	-
	17.50	17.50	17.50	-
	8.18	8.18	8.18	-
		<u>275.68</u>		
	35.00	280.00		280.00
	35.00	35.00		35.00
	35.00	210.00		210.00
	35.00	140.00		140.00
	35.00	105.00		105.00
	35.00	70.00		70.00
	-	-		-
	58.80	58.80		58.80
	14.63	14.63	14.63	-
		<u>913.43</u>		

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Purchases from BSN
For the Period July 1, 2015 through June 30, 2021

Per Vendor Invoice

Date	PO Number	Invoice Number	Item Description	Quantity
06/01/17	Mike Dunlap	900070861	SLE ALPHA FLY RUSH JKT BLACK XLG	1.00
			SLE ALPHA FLY RUSH JKT BLACK XXL	3.00
			SLE F-Z TRAVEL HOODIE BLACK LRG	2.00
			SLE TRAVEL PANT BLACK XLG	1.00
			SLE VAPOR WOVEN SHORT BLACK LRG	1.00
			SLE THERMA VEST BLACK LRG	2.00
			SLE HZ COACHES TOP BK/SUNDN MED	1.00
			SLE HZ COACHES TOP BK/SUNDN XLG	1.00
			SLE WMN THERMA HOODIE BLK/WHT SML	1.00
			SLE W THERMA TECH PANT BLK/WHT XSM	1.00
			Freight	1.00
06/26/17	Mike Dunlap	8355507	MENS GAMEDAY POLO ANTH/WHT MED	1.00
			MENS GAMEDAY POLO ANTH/WHT LRG	3.00
			MENS GAMEDAY POLO ANTH/WHT XLG	3.00
			MENS GAMEDAY POLO ANTH/WHT 3XL	2.00
			MENS GAMEDAY POLO ANTH/WHT XXL	2.00
			Freight	1.00
08/14/17	Mike Dunlap	900271057	custom Heritage 86 cap	18.00
10/18/17	0018-531	900271057	Shipping that was omitted from payment	1.00
08/17/17	Mike Dunlap	900295211	VCTORY STRIPE POLO P GRY/WH XLG	2.00
			G series Performance Package 8) Cases of Gat	1.00
			Freight	1.00
12/19/17	Mike Dunlap SLE orde	901256205	W THERMA FZ HOODIE BLACK LRG	1.00
			WOMENS THERMA PANT BLACK LRG	1.00
			Freight	1.00

Per Item Cost	Total	Improper	Allowable
95.00	95.00	95.00	-
95.00	285.00	285.00	-
54.00	108.00	108.00	-
48.00	48.00	48.00	-
40.00	40.00	40.00	-
62.00	124.00	124.00	-
48.00	48.00	48.00	-
48.00	48.00	48.00	-
40.00	40.00	40.00	-
50.00	50.00	50.00	-
62.02	62.02	62.02	-
	<u>948.02</u>		
25.00	25.00	25.00	-
25.00	75.00	75.00	-
25.00	75.00	75.00	-
25.00	50.00	50.00	-
25.00	50.00	50.00	-
19.00	19.25	19.25	-
	<u>294.25</u>		
16.00	288.00	288.00	-
20.16	20.16	20.16	-
	<u>308.16</u>		
36.00	72.00	72.00	-
225.00	225.00	-	225.00
25.29	25.29	-	25.29
	<u>322.29</u>		
40.00	40.00	40.00	-
33.00	33.00	33.00	-
5.11	5.11	5.11	-
	<u>78.11</u>		

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Purchases from BSN
For the Period July 1, 2015 through June 30, 2021

Per Vendor Invoice

Date	PO Number	Invoice Number	Item Description	Quantity
06/19/18	Mike Dunlap SLE orde	901256205	H-Z CIACH TOP BK/SUNDN XLG	1.00
			EARLY SEASON POLO BLK/WHT XLG	1.00
			ALPHA FLY RUSH P/O BLACK LRG	2.00
			W POR PANEL TIGHT BLK/BLK SML	1.00
			Freight	1.00
01/15/18	Julie Dunlap	901424307	FLUX PANT CHAR HEA XLG	1.00
			THERMA HOODIE BLACK MED	1.00
			Freight	1.00
08/13/18	Emmetsburg gatorade	902745692	G Series Performance Package 8cs fuel bars	1.00
			FLAT FRONT SHORT KHAKI 38	1.00
			AIRVENT SHORT GRAPHITE 38	1.00
			Men's Nike Revoluation 4 Running Shoe	1.00
			Freight	1.00
10/08/19	Emmetsburg football	906503448	LONG SLV UV TOP ANTHRACT XXL	1.00
			LONG SLV UV TOP ANTHRACT 3XL	1.00
			THERMA 1/2 ZIP TOP BK/SUNDN 3XL	1.00
			Freight	1.00
10/02/19	Emmetsburg FB hats 2	906406650	nike heritage 86 custom hat	18.00
			freight	1.00
Total				

Per Item Cost	Total	Improper	Allowable
50.00	50.00	50.00	-
40.00	40.00	40.00	-
87.00	174.00	174.00	-
33.00	33.00	33.00	-
20.79	20.79	20.79	-
	<u>317.79</u>		
40.00	40.00	40.00	-
35.00	35.00	35.00	-
8.00	8.00	8.00	-
	<u>83.00</u>		
225.00	225.00	-	225.00
40.00	40.00	40.00	-
42.00	42.00	42.00	-
40.00	40.00	40.00	-
28.79	28.79	28.79	-
	<u>375.79</u>		
28.00	28.00	28.00	-
28.00	28.00	28.00	-
48.00	48.00	48.00	-
8.00	8.00	8.00	-
	<u>112.00</u>		
18.00	324.00	324.00	-
22.68	22.68	22.68	-
	<u>346.68</u>		
	<u>\$ 5,274.19</u>	<u>3,420.10</u>	<u>1,854.09</u>

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Disbursements to Other Vendors
For the Period July 1, 2015 through June 30, 2021

Per Accounting System						Description
Date	Check Number	Invoice	Vendor	Description	Amount	Per District Document
08/24/16	55370	73116	Fareway Stores	concessions/football	\$ 59.68	Weight room Breakfast <i>Documenation not provided for \$18.92.</i>
08/24/16	55402	80416	Pizza Ranch	Football Managers	25.77	Lunch FB Managers FB Camp
09/21/16	55552	AUG2015-Football	Fareway Stores	football expenses	247.06	BQ -Football receipts attached Water (Game Day) <i>Documentation not provided for \$40.98</i>
09/21/16	55591	44	Pizza Ranch	Team meal - Football	188.98	Team Meal
02/08/17	56801	FY17YOUTH	Iowa Football Coaches Assn	youth football membership-FY17	10.00	Youth football IFCA membership
02/08/17	56801	FY17	Iowa Football Coaches Assn	membership FY17	35.00	IFCA membership
03/07/17	57035	267617	Swanson Hardware	weight room paint	20.97	Paint Weight room
03/15/17	57053	FOOTBALL2017	Emmetsburg Ed Foundation	football scholarship	500.00	<i>No documentation provided</i>
04/19/17	57304	ANNUAL	E-Hawk Booster Club	hole sponsor	100.00	Purchase Order to EHAWK Booster Club for \$100 hole sponsor, Payment request for Hole Sponsor
05/17/17	57531	2017	E-Hawk Youth Football	sponsor	200.00	<i>No documentation provided</i>
06/21/17	57809	1329	Pizza Ranch	nursing home visit exp	98.00	Pizza Ranch Pizza Nursing Home Visit
09/20/17	58545	105	Pizza Ranch	pregame (scrimmage)	184.00	<i>No documentation provided</i>
10/18/17	58809	109466899	National Pen Company, LLC	pencils	287.71	<i>No documentation provided</i>
04/18/18	59650	2018FOOTBALL	Emmetsburg Ed Foundation	scholarship	500.00	E-Hawk Football scholarship

Per Vendor Invoice/Receipt	Decription Per Supporting Documentaton	Improper	Unsupported	Reasonable
Bread, peanut butter, jelly, chocolate milk	Fareway receipt: \$40.76 bread, peanut butter, jelly, chocolate milk. Payment request "Weight room Breakfast" \$40.76. Check number matches.	\$ 40.76	18.92	-
Pizza Ranch Receipt 3 adult buffets	Payment Request Pizza Ranch "Lunch FB Managers FB Camp" Pizza Ranch Receipt 3 adult buffets	25.77	-	-
Fareway receipt BBQ sauce, rib rub Fareway receipt water and stain remover.	Support for \$206.08 available. \$40.98 unsupported. Payment request "BQ -Football receipts attached, Fareway receipt BBQ sauce, rib rub. Payment Request "Water (Game Day)", Fareway receipt water and stain remover.	-	40.98	206.08
Monday 9/5/16 2:12pm Pizza Ranch receipt 22 adult buffet	Payment Request "Team Meal" Monday 9/5/16 2:12pm Pizza Ranch receipt 22 adult buffet	188.98	-	-
<i>No documentation provided</i>	Payment request "Youth football IFCA membership"	10.00	-	-
<i>No documentation provided</i>	Payment request " IFCA membership"	35.00	-	-
Swanson Hardware receipt gold spray paint (3)	Swanson Hardware receipt gold spray paint (3) , Payment receipt "Paint Weight room"	20.97	-	-
<i>No documentation provided</i>	<i>No support</i>	500.00	-	-
Athletic Booster Club hole sponsor flier- \$100 per hole	Purchase Order to EHAWK Booster Club for \$100 hole sponsor, Payment request for Hole Sponsor, Athletic Booster Club hole sponsor flier- \$100 per hole.	100.00	-	-
<i>No documentation provided</i>	<i>No support</i>	200.00	-	-
<i>No documentation provided</i>	Payment Request "Pizza Ranch Pizza Nursing Home Visit" NO RECEIPT	98.00	-	-
<i>No documentation provided</i>	<i>No support</i>	-	184.00	-
<i>No documentation provided</i>	<i>No support</i>	-	287.71	-
Flier from Emmetsburg Educational Foundation for scholarship	Payment Request" E-Hawk Football scholarship" Flier from Emmetsburg Educational Foundation for scholarship.	500.00	-	-

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Disbursements to Other Vendors
For the Period July 1, 2015 through June 30, 2021

Per Accounting System						Description
Date	Check Number	Invoice	Vendor	Description	Amount	Per District Document
04/23/18	59732	2018	E-Hawk Youth Football	sponsor	200.00	E-Hawk Flag Football Sponsor
05/16/18	59852	GOLF2018	E-Hawk Booster Club	sponsorship	100.00	<i>No documentation provided</i>
06/20/18	60562	309796	Hot Lunch Fund	leadership breakfasts (footbal	340.00	<i>No documentation provided</i>
08/15/18	61036	7388	Fareway Stores	football supplies	111.97	<i>No documentation provided</i>
08/15/18	61102	80718	Mike Dunlap	football breakfast	22.50	Football Breakfast (Week 1)
09/19/18	61246	82518	Mike Dunlap	weight room exp	31.96	Donuts/Wt Room 9-12
10/17/18	61522	91918	Mike Dunlap	football player expense	23.97	Wt room
10/17/18	61522	92918	Mike Dunlap	weight room expense	23.97	Donuts
10/17/18	61607	2021410	Mike Dunlap	weight room incentive exp	47.09	Wt Room
11/09/18	61756	HLFOCT2018	Fareway Stores	kitchen foods	0.06	<i>No documentation provided</i>
05/15/19	63164	61419	E-Hawk Booster Club	hole sponsor	100.00	Hole Sponsor
05/15/19	63165	May-19	Emmetsburg Ed Foundation	football scholarship	500.00	Football Scholarship
06/28/19	63575	87060	Fareway Stores	football activity expense	51.58	Breakfast 7 on 7
09/18/19	63990	962019	Mike Dunlap	Breakfast bars	32.50	Breakfast Bars Football Practice Labor Day
12/18/19	64728	476	Subway		40.95	5-12" Subway Clubs for football
03/25/20	65434	299253	Hot Lunch Fund	leadership breakfast	59.94	Leadership Breakfast

Per Vendor Invoice/Receipt	Decription Per Supporting Documentaton	Improper	Unsupported	Reasonable
E-Hawk Youth Football sponsor flier- 3ft by 4ft sign placed on bleachers	Payment Request "E-Hawk Flag Football Sponsor" E-Hawk Youth Football sponsor flier - 3ft by 4ft sign placed on bleachers	200.00	-	-
<i>No documentation provided</i>	<i>No support</i>	100.00	-	-
<i>No documentation provided</i>	<i>No support</i>	340.00	-	-
<i>No documentation provided</i>	<i>No support</i>	-	111.97	-
Dollar General receipt= 9 boxes toaster pastries	Dollar General receipt= 9 boxes toaster pastries, Payment request "Football Breakfast (Week 1)	22.50	-	-
Caseys receipt 4 dozen donuts. 8/25/18 (Saturday) 7:43am	"Weight room expense" Payment Request "Donuts/Wt Room 9-12" Caseys receipt 4 dozen donuts. 8/25/18 (Saturday) 7:43am	31.96	-	-
Caseys receipt 3 dozen donuts	Payment Request "Wt room" Caseys receipt 3 dozen donuts	23.97	-	-
Caseys receipt 3 dozen donuts	Payment Request "Donuts" Caseys receipt 3 dozen donuts	23.97	-	-
Caseys Receipt 3 large breakfast pizzas, (1) 20oz Mt Dew	Caseys Receipt 3 large breakfast pizzas, (1) 20oz Mt Dew, Payment Request "Wt Room"	47.09	-	-
<i>No documentation provided</i>	<i>No support</i>	-	0.06	-
E-Hawk Athletic Booster Club flier for hole sponsorship	Payment request "Hole Sponsor", E-Hawk Athletic Booster Club flier for hole sponsorship	100.00	-	-
<i>No documentation provided</i>	Payment request: "Football Scholarship" NO RECEIPT	500.00	-	-
Fareway receipt pop tarts, cereal bars, gatorade	Payment Request": Breakfast 7 on 7", Fareway receipt pop tarts, cereal bars, gatorade"	51.58	-	-
Dollar General Receipt 11 cereal bars	Dollar General Receipt 11 variosu cereal treat bars, Payment Requet "Breakfast Bars Football Practice Labor Day"	32.50	-	-
Subway receipt for 5- 12" subway club subs	Payment Request "5-12" Subway Clubs for football" Subway receipt for 5-12" subway club subs	-	40.95	-
Food service receipt 1 case breakfast burritos, 1 case Twise, 20 juice, 20 milk	Payment Request "Leadership Breakfast", Food service receipt 1 case breakfast burritos, 1 case Twise, 20 juice, 20 milk	59.94	-	-

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Disbursements to Other Vendors
For the Period July 1, 2015 through June 30, 2021

Per Accounting System						Description
Date	Check Number	Invoice	Vendor	Description	Amount	Per District Document
06/30/20	65983	FOOTBALL2020	Emmetsburg Ed Foundation	scholarship	500.00	E-Hawk Football Scholarship
09/16/20	66481	91320	E-Hawk Booster Club	hole sponsor	100.00	Athletic Booster Club Hole Sponsor
Total					\$ 4,743.66	

Per Vendor Invoice/Receipt	Decription Per Supporting Documentaton	Improper	Unsupported	Reasonable
<i>No documentation provided</i>	Payment Request "E-Hawk Football Scholarship" NO RECEIPT	500.00	-	-
E-Hawk Athletic Booster Club flier- \$100 hole sponsor	Payment Request "Athletic Booster Club Hole Sponsor" E-Hawk Athletic Booster Club flier- \$100 hole sponsor	100.00	-	-
		\$ 3,852.99	684.59	206.08

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Credit Card Charges for Football
For the Period July 1, 2015 through June 30, 2021

Transaction Date	Vendor	Check Date	Check Number	Vendor	Amount	Vendor History Description
10/04/16	IMPRINT 877-4667746 WI	10/31/16	55984	4imprint	\$ 385.09	homecoming exp (football)/HS Football Supplies
03/16/17	IOWA SPORTS CAMPS	03/28/17	57138	34096	220.00	football clinic/HS Football Supplies
3/25/2016 3/26/2016 3/26/2016	BP#8145849CANTERBURY AMO MARRIOTT CORAVLE CONF MARRIOTT CORAVLE CONF	04/27/17	57349	FOOTBALLM	372.06	football clinic exp/HS Football Supplies
05/13/17	DOGTAGSUS.COM	05/30/17	57596	DUNLAP-Dog	51.95	football exp/HS Football Supplies
04/29/17	SP * LUNCHBOX.COM ANESHARDWARE CA	05/30/17	57596	DUNLAP-Lea	259.80	Leadership exp/HS Football Supplies
04/26/17	AMAZON MKTPLACE PMTS	05/30/17	57596	DUNLAP-Lea	94.41	Leadership exp/HS Football Supplies

Support Description	Improper	Reasonable
"Football key chains Homecoming Parade" 4imprint invoice 500 Helmet Soft Key Tag	\$ 385.09	-
Purchase order to VISA, Payment request form "Iowa Football Clinic", University of Iowa Football Coaches Clinic (Ben Dunlap, Mike Dunlap, Colby Weir, Jeremy Zeigler), handwritten note that Dunlap and Jeremy will reimburse football account for Ben & Colby's registration	220.00	-
Marriott Coralville receipt 3/24-3/25/17 "Carter/Joe" \$124.02 Marriott Coralville receipt 3/23-3/25/17 "Dunlap/Mike" two nights \$248.04 Canterbury BP Amoco fuel receipt \$28.79	372.06	-
"Senior Dog Tags Leadership" DogTagUS receipt 8Black laser engraved tags with yellow silencer	51.95	-
Purchase requisition: 5 lunchboxes with Thermos. , receipt from Lunchbox.com	259.80	-
Purchase Requisition: 3 lunchboxes from Amazon, Amazon receipt: 3 Stanley Classic Lunch boxes	94.41	-

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Credit Card Charges for Football
For the Period July 1, 2015 through June 30, 2021

Transaction Date	Vendor	Check Date	Check Number	Vendor	Amount	Vendor History Description
08/14/17	shopko 201 00202010	08/30/17	58474	SHOPKO	114.88	football supplies/HS Football Supplies
02/20/18	SQ *ACE FUNDRAISING	04/05/18	60498	ACE	140.82	football clinic/HS Football Supplies
05/29/18	DOGTAGUS.COM 573-334-5171 MO	06/20/18	60796	70169142	93.45	senior football expense/HS Football Supplies
12/07/18	Amazon.com*M07TV12H1	01/03/19	62197	7181808	33.75	Leadership class books/HS Football Supplies
02/18/19	SQ*ACE FUNDRAISING	02/27/19	62595	QGI8	311.00	football clinic/HS Football Supplies
05/01/19	DOGTAGUS.COM	05/29/19	63227	DOGTAG	43.95	senior dog tags/HS Football Supplies
09/20/19	MINISPORTSBALLS.COM	09/30/19	64209	61900496	430.98	mini footballs for Homecoming/HS Football Supplies
10/02/19	4IMPRINT 877-4667746 WI	10/29/19	64418	18768284	576.11	Homecoming poms (football)/HS Football Supplies
02/14/20	SQ *ACEFUNDRAISING gosq.com IA	02/28/20	65302	3vIL	104.50	football clinic/HS Football Supplies

Support Description	Improper	Reasonable
Payment request"Water/Spray-n-wash", Shopko receipt: Spray N Wash, Shout, frosted donuts, water . Donuts improper, \$4.40 tax improper.	6.90	107.98
	140.82	
Payment request: Senior Dog Tags, DogtagUS receipt 15 black laser engraved tag	93.45	
Payment request: "Books for leadership class & coaches", Amazon receipt books	33.75	-
Payment request: "Ace Clinic (Football) Registration (Entire FBStaff), Ace Fundraising receipt Clinic registration (3 or more coaches)	311.00	-
Payment Request "Dog tags seniors", DigtagUA receipt 6 black laser engraved tags	43.95	-
Payment request: "mini footballs for homecoming" Receipt MiniSportsBalls.com 350 Mini Stress Footballs.	430.98	-
Payment request: pom-Pom for Cheerleaders (parade), 4imprint invoice 500 Rally pom-pom	576.11	-
	104.50	-

Report on Special Investigation of the
Emmetsburg Community School District

Improper and Unsupported Credit Card Charges for Football
For the Period July 1, 2015 through June 30, 2021

Transaction Date	Vendor	Check Date	Check Number	Vendor	Amount	Vendor History Description
02/15/20	Amazon.com*ME8553DU3	02/28/20	65302	9072244	195.00	Leadership books (Football)/HS Football Supplies
03/14/20	AMAZON.COM*RP1CX5U13 AMZN	04/02/20	65504	FBALL	32.86	Leadership Books/HS Football Supplies
02/29/20	PRAIRIE MEADOWS RACE TRAC ALTOONA IA	04/02/20	65504	IFCAMARCH	244.16	IFCA clinic/HS Football Supplies
08/04/20	DOTTAGUS.COM 573-334-5171 MO	08/31/20	66324	81610020	87.95	football leadership tags/HS Football Supplies
	Total				<u>\$ 3,792.72</u>	

Support Description	Improper	Reasonable
	195.00	-
Payment request "Leadership books", Amazon receipt placed by Lisa Chapman 2xYou Win in the Locker Room First, shipped to Mike Dunlap home	32.86	-
Purchase order: Lodging for Darren Hanna ISFLC, Prairie Meadows receipt IA Superintendent Finance & Leadership	244.16	-
Payment Request "Senior Leadership Class Dog Tags", DogtagUS receipt 14 black laser engraved tags	87.95	-
	<u>\$ 3,684.74</u>	<u>107.98</u>

Report on Special Investigation of the
Emmetsburg Community School District

Staff

This review was performed by:

James S. Cunningham, CPA, Deputy
Holly Ewing, Auditor Investigator


A handwritten signature in black ink that reads "Annette K. Campbell". The signature is written in a cursive style with a large initial 'A' and 'C'.

Annette K. Campbell, CPA
Chief Deputy Auditor of State

Appendices

Report on Special Investigation of the
Emmetsburg Community School District

Copies of Fundraising Documents, August 2019



ACE Fundraising
Attitude. Commitment. Excellence.

ACCOUNTING SHEET

<u>Emmetsburg</u>	<u>Football</u>	<u>8/24/19</u>
<small>School or Group</small>	<small>Sport or Group</small>	<small>Date</small>
<u>Mike Dunlap</u>	<u>\$15 discount Card</u>	
<small>Coach or Contact Name</small>	<small>Product Selling</small>	<small>Number Selling</small>

Cards/Coupon Packages Checked Out	3000	<p style="text-align: center; margin-top: 0;">NOTES FROM SALE</p> <p style="font-size: 1.2em; margin-top: 10px;">Checks = \$10,080</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Cards/Coupon Packages Returned		
FREE Cards/Coupon Packages Awarded		
CARDS/COUPON PACKAGES SOLD	974	
Price of the Product	X <u>15</u>	
TOTAL SALES	\$ 14610	
SCHOOL or GROUP _____ %	\$ 9740	
BALANCE DUE ACE FUNDRAISING	\$ 4870	

* Invoice Will Be Included If Check Being Issued

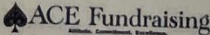
invoice attached

I, Mike Dunlap agree that E'burg FB sold 974 cards.
Coach or Contact Name School and Sport/Group

We received \$ \$9740 and 0 free cards from our ACE Fundraising Representative on 8/24/19.
Date

We have retained _____ cards for continuing sales and will reconcile those on or approximately on _____.
Date

X (Signature) Mike Dunlap 8/24/19
Coach or Contact Name Signature Date



ACE Fundraising
www.aceiowa.net

Report on Special Investigation of the
Emmetsburg Community School District

Copies of Fundraising Documents, August 2019




INVOICE

School/Group Name Emmetsburg HS Football
 Billing Address _____
 City _____ State _____ Zip _____
 Phone _____ Email _____
 Payment Contact Mike Dunlap

DATE	P.O. #	SALES REPRESENTATIVE	TERMS
8/24/19		Beau Hampton	DUE ON RECEIPT

DESCRIPTION	QUANTITY	RATE	AMOUNT
E'burg FB Discount Card Sale	974	5	\$4870
			-4530 already pd in cash
Deposited \$10,080			
E'hawks Profit \$9740			

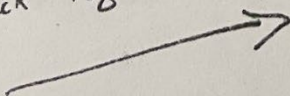
Administrator's Signature  TOTAL \$ 340.00

THANK YOU FOR WORKING WITH ACE FUNDRAISING!

MAKE CHECKS PAYABLE and REMIT TO:

ACE Fundraising
713 NE 55th St.
Ankeny, IA 50021
www.ACEIowa.net

Please send check too



Report on Special Investigation of the
Emmetsburg Community School District

Information from the Department of Education's Student Activities Handbook

Source: Student Activity Fund Handbook of Frequently Asked Questions, issued by the State of Iowa Department of Education

Uniforms/Clothing

1. **“Question:** Can the district purchase shirts, jackets, or other clothing for district employees from the Student Activity Fund?”

“Answer (March 2016 edition, pg 47): Article III, Section 31 of the Constitution of the State of Iowa stipulates that public funds may only be spent for the public benefit. Student Activity Funds are public funds; therefore, the district must determine the propriety and document the public purpose and public benefit to be derived. Districts should establish a policy to preclude purchases of personal clothing from public funds, and/or define the exceptions, if any, including the requirement for board consideration, documentation of public purpose, and approval.

In addition, based on IRS guidelines, the value of the apparel (or other property, award, or prize) must be of “nominal value” and provided “infrequently” to be excludable from an employee’s wages, and it may not be cash or cash equivalent (i.e., gift card or certificate, savings bond). Examples of excludable de Minimis awards include items such as holiday turkeys and hams, plaques, and coffee mugs.

District may wish to refrain from allowing public funds to be used to purchase personal items of clothing under any circumstances since this establishes a precedent that may be difficult to justify and/or administer fairly and consistently among employees and student groups. A better alternative would be to have employees pay for the cost of the apparel. The payments from the employees would be collected by the district and accounted for in the General Fund. The district would order the apparel when sufficient funds have been collected.”

“Answer (03/21/22 edition, pg 67): While not specifically prohibited from the Student Activity Fund, clothing for staff is generally a cost of the General Fund. Iowa Administrative Code 281-98.70(2) allows for appropriate uses of the Student Activity Fund including ordinary and necessary expenses of operating school district-sponsored and district-supervised student co-curricular and extracurricular activities. The board should exercise its authority under Iowa Code section 29.8 and responsibility under Iowa Code section 280.14 to establish policies relating to costs identified as “ordinary and necessary expenses” of operating the activity program.

Regardless of the fund from which it is purchased, coaching apparel should be identified as (1)a personal expenses, or (2)a district expense with an established public purpose. If a personal expense, the coach will pay for and retain the apparel. If a district expense, the district may either require the coach to return the item at the end of a predetermined time (such as end of coaching contract) or the apparel may be identified as part of the coach’s compensation package and therefore retained by the coach. If the apparel is to be retained by the district, any customization must be able to be removed without damage to the apparel. The district may choose to establish a policy outlining in which circumstances and the timeframe the apparel must be returned to the district, when personalization of apparel would be allowable, and circumstances when apparel is part of a coach’s compensation package. Optional customization is an expense to the employee (Iowa Op. Atty Gen No. 92-11-3).

Report on Special Investigation of the
Emmetsburg Community School District

Information from the Department of Education's Student Activities Handbook

The district will want to ensure the test of public purpose is met for any expenditures it incurs (IA Const. art III, §31). Iowa Administrative Code 281-98.70 specifies moneys collected through school activities are public funds that are the property of the school district and are under the financial control of the school board. The board must approve expenditures prior to the expenditure being incurred (Iowa Code §279.29).”

- 2. Question:** “If a district decide to customize required student uniforms in some way, could it then require the participating students to buy the uniforms?”

“Answer (March 2016 edition, pg 47): No; this would violate the law, the rules, and the associated OAGs. If customizing is necessary for some purpose, uniforms can have customizing such as a name badge that is sewn on and can be removed.”

“Answer (03/21/22 edition, pg 67): No, if a student does not elect to pay for a uniform with customization, the district must provide a uniform which meets participation requirements to the student at no cost. Iowa Administrative Code 281-18.1 does not allow a student’s participation to be restricted due to an inability to pay an associated cost. No authority exists to charge students for required student activity uniforms (Iowa Code §274.3(2)”b”). Any optional customization must be removable so the uniforms may be used again in subsequent years. An example would be name badge affixed by Velcro that is removable. A customization is not the same as a modification necessary for the student to use the uniform, such as hemming uniform pants.

District funds are public funds which must be expended for a public purpose (IA Constitution art III, §31). If a district elects to customize uniforms for all students and cover the cost itself, public purpose should be established. An example of this would be that customized uniforms are required to participate in an interscholastic competition (Iowa Code §280.13).

If the customization is optional, the cost is specifically prohibited from the Student Activity Fund (281 IAC 98.70(3)”I”) and does not appear to be an appropriate use of public funds (IA OAG #92-11-3). The district may provide an option for the students to retain the uniform at the end of the season. Iowa Code section 297.22 provides additional information regarding district property that is sold, leased, or disposed.”

- 3. Question:** “Can the district sell clothing with the school logo to students and staff?”

“Answer (March 2016 edition, pg 47): Yes, with certain restrictions. Public funding cannot be used for this purpose, so the district must collect payment with the orders from students and staff prior to purchasing the clothing items. Any sale would need to be at cost (no profit) unless advertised as a fundraiser. In addition, the district must work with the Department of Revenue regarding any requirement for collecting and remitting sales tax.”

“Answer (03/21/22 edition, pg 67): Yes, with certain restrictions. Any sale would need to be at cost (no profit) unless advertised as a fundraiser. In addition, the district must work with the Department of Revenue regarding any requirement for collecting and remitting sales tax. The Constitution of the State of Iowa does not allow public funds to be spent for individual benefit nor does it allow for credit to be load (IA Constitution art. III, §31; art. VII, §1). Thus if for individual orders, the district must collect payment with the orders from students and staff prior to purchasing the clothing items.”