



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF INVESTIGATIONS**

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Comptroller of the Treasury

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February 20, 2013

Director of Schools and Members of the  
Board of Education  
Marshall County Schools  
700 Jones Circle  
Lewisburg, TN 37091

Ladies and Gentlemen:

The Comptroller's Division of Investigations conducted an investigative audit of selected records of the Marshall County School System. This investigation was limited to a review of supplemental payments to football coaches at the county's three high schools. The investigation focused on the period July 1, 2011, through April 30, 2012; however, when warranted, the scope was expanded. The investigative audit revealed the following:

- The former director of schools authorized certain hourly supplemental payments which appeared to breach the school system's collective bargaining agreement.
- The system did not adequately account for supplemental pay to certified staff.

**INVESTIGATIVE FINDING**

1. **FINDING: Possible breach of collective bargaining agreement**

By endorsing and authorizing the continuation of hourly supplemental payments to certain coaches, the former director of schools<sup>1</sup> apparently breached the collective bargaining agreement between Marshall County Schools and Marshall County Education Association.

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<sup>1</sup> For clarity purposes, we have included a schedule listing the directors of schools since 2000 and the time periods they served. Refer to Exhibit 1.

The investigative audit revealed that in January 2007, a former school director approved hourly supplemental pay to the head coach and two assistant coaches at Marshall County High School (MCHS). The former director asserted that the payments were appropriate in accordance with an approved hourly supplemental policy which had been approved by the school board in December 2006 and that it was intended for teachers working after hours with students or participating in professional development training. However, he admitted that these hourly supplemental payments were promised and used as an incentive to hire specific coaches at MCHS. Football coaches at other high schools in the system indicated that this arrangement was not discussed with or offered to them.

In January 2009, the Marshall County Board of Education entered into a collective bargaining agreement with the Marshall County Education Association, to which all certified staff were bound. This agreement, effective from January 2009 through June 2011, specifically excluded coaches and other certified staff who received the extra-curricular supplements listed in the agreement from receiving hourly pay for duties performed beyond the normal school day. **(Refer to Exhibit 2, which is Appendix C of the Collective Bargaining Agreement.)** During this period, however, the former director apparently facilitated the breach of the agreement when he endorsed the continuation of the hourly supplemental pay to the MCHS coaches and specifically promised it to newly hired football coaching staff at MCHS in July 2010.<sup>2</sup>

Hourly supplemental payments made to coaching staff at MCHS from January 2007 through April 2012 totaled \$148,574.80. Payments made while the collective bargaining agreement was in effect totaled over \$70,000.

### **INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES** **FINDING**

1. **FINDING: Deficiencies in accounting for supplemental payments to certified staff**

The Marshall County School Board and former directors of schools failed to establish clear guidelines for and provide adequate oversight of supplemental payments to certified staff. Annually, during the budgetary process, the board authorized “Extra-Curricular Supplements” for coaches, band directors, club sponsors, etc., and established the amounts of these supplements. These amounts were included in the designated

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<sup>2</sup> The director of schools from April 2008 through October 2009 stated he was unaware that any football coaches at Marshall County High School were receiving hourly supplemental pay. Also, current school board members stated they were not aware of the hourly supplemental payments to Marshall County High School coaching staff.

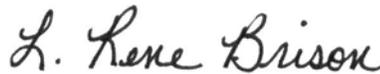
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individuals' salaries for the year. In December 2006, the board authorized additional supplemental pay to certified staff by providing for \$15 hourly payments for work beyond the teacher contract period or workday. The investigative audit revealed the following internal control deficiencies relative to supplemental pay:

- Expected duties related to established extracurricular supplements for coaches, club sponsors, etc., were not clearly defined.
- Regarding hourly supplemental pay, the Marshall County School Board failed to establish clear parameters setting forth eligible work and duties, and allowed hours, and failed to disseminate the information to all Marshall County Schools certified staff.
- No records were prepared and retained documenting required preapproval by former school directors of hours claimed by certified staff for work performed beyond the teacher contract period or workday. Preapproval of ongoing hourly work assignments should be documented at least annually.
- Documentation on timesheets submitted by certified employees for work performed beyond the teacher contract period or workday was insufficient to determine the work or duties actually performed.
- Because records of hourly supplemental payments prepared and retained by system staff were insufficient, the school system had no comprehensive record of employees who received the payments, the amounts paid, and the duties performed.

The director and members of the school board should take immediate action to resolve these issues. If you have any questions concerning the above, please contact me.

Sincerely,



L. Rene Brison, CPA, CFE, Assistant Director  
Division of Investigations

LRB/RAD

**Exhibit 1**

<b>Schedule of Directors of Schools</b>	
<b>Director's Name</b>	<b>Period Served</b>
John David Pierce	August 1, 2000, to October 5, 2007
Nancy Aldridge (Interim)	October 6, 2007, to April 14, 2008
Dr. Stan Curtis	April 15, 2008, to October 5, 2009
Roy Dukes (Interim)	October 6, 2009, to February 8, 2010
Roy Dukes	February 9, 2010, to March 8, 2012
Jackie Abernathy	March 9, 2012, to present

**APPENDIX C  
Extra Curricular Supplements**

	<b>Head</b>	<b>Assistant</b>
<b>High School</b>		
Football	4200	3000
Basketball	4200	3000
Baseball	4200	3000
Softball	4200	3000
Soccer	3000	2000
Wrestling	3000	2000
Tennis	3000	2000
Bowling	3000	
Golf	3000	
Band	3000	1500
Cross Country	3000	
Cheerleading	3000	2000
Chorus	1400	
<b>Middle School</b>		
Football	3000	2000
Basketball	3000	2000
Baseball	3000	1000
Softball	3000	1000
Cheerleading	2500	
Tennis	2000	1700
Chorus	1000	

**Athletic Directors:**

High School	\$2,000 + \$30 per game - maximum 50, minimum 25
Middle School	\$1,000 + \$25 per game - maximum 20, minimum 10

**Club Sponsors**

High School and Middle School	\$700 per sponsorship
Elementary School	\$500 per sponsorship

**ESL Teacher**

\$3,000 reimbursement of education expenses to obtain ESL certification

**Notes:**

No coach is to be paid more than \$7,200 supplement per year.

No head coach or administrator shall be Athletic Director

Priority will be given to teachers who are not assistant coaches.

Anyone earning higher supplements under previous schedule will continue to receive that supplement.

Any certified employee other than those above and exceptions noted in the contract who are employed beyond the normal school day of seven and one-half (7½) hours shall be paid at the minimum rate of fifteen dollars (\$15). These activities must be approved in advance by the Director of Schools and time sheets must be submitted by the principal. The Director has the discretion of paying a certified employee more than fifteen dollars per hour, but will notify the Association on a monthly basis with the name of the employee and the amount being paid if this occurs.