



## State of Tennessee

Justin P. Wilson, State Comptroller

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### **Former Nashville Parent-Teacher Organization President Misused Funds**

The former president of Haywood Elementary School's Parent-Teacher Organization (PTO) used more than \$2,500 from the organization's funds to cover personal expenses, an investigation by the Comptroller's Division of Municipal Audit has revealed.

Investigators found that between August 29, 2008 and May 14, 2009, the then-PTO president wrote 13 checks to herself totaling \$4,413 – ostensibly to reimburse herself for PTO-related expenses she had incurred. However, investigators learned that only \$1,893 of those payments were truly for PTO purchases, while the rest covered personal expenses.

The information uncovered during the audit has been referred to the local district attorney general's office.

The audit also found the PTO lacking in proper safeguards in its financial record keeping.

For example, the PTO did not keep adequate records of money deposited into the organization's bank account. Also, some checks issued on behalf of the organization lacked proper documentation. And the PTO allowed checks to be issued with only one signature, which is not consistent with recommended bookkeeping practices.

"This case illustrates the importance of maintaining sound financial records," Comptroller Justin P. Wilson said. "In parent-teacher organizations and other groups like them, there may be a tendency to treat financial matters with some degree of informality. However, it is very important to have proper checks and balances in place so fraud, waste and abuse are less likely to occur."

"Throughout the state of Tennessee, school support organizations raise millions of dollars in the name of individual schools," said Dennis Dycus, director of the Division of Municipal Audit. "The individuals who work for the support organizations and those that contribute to them expect their efforts to go to the benefit of the respective schools. That's why it is so very important that school support organizations have adequate internal controls to account for the funds that they raise."

To view the full report, go to:

[http://www.comptroller1.state.tn.us/RA\\_MA\\_Financial/Report\\_Investigative.aspx](http://www.comptroller1.state.tn.us/RA_MA_Financial/Report_Investigative.aspx)

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