



# Theft Prevention in School Organizations

---

Lieutenant Michael Harvey MSCJ

Ft. Bend ISD Police Department

Uniform Services Division

281-634-5500

# Booster Club President or Treasurer

---



→ \$19,600.00

→ \$20,375.36

→ \$92,000.00

→ \$3,045.00

# What Types of Organizations



**JOIN THE**  
**BOOSTER CLUB**

## → PARENT-TEACHER ORGANIZATIONS

1. PTO's
2. PTA's
3. PTE's

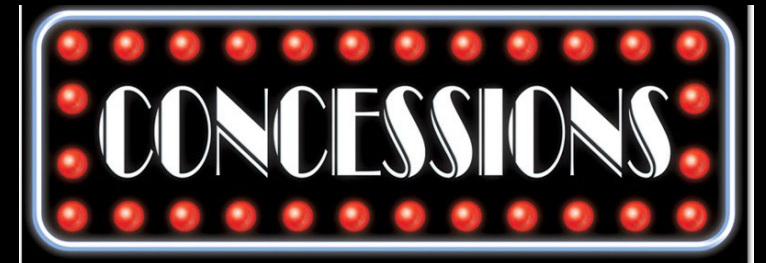
## → BOOSTER CLUBS

1. Band
2. Athletic
3. FFA
4. ROTC
5. Orchestra
6. Drama

# Types of Fundraisers

---

- Holiday Gift Sales
- Dinners & Banquets
- Concessions
- Cookie Dough
- Athletic Apparel
- College Theme Mats
- Silent Auctions





# 116 Parent Organizations in FBISD

---



- 2005/2006 alone, these clubs generated
  - \$4,566,000.84 in revenues and
  - \$4,376,269.34 in expenditures
- Some Elementary Schools raised in excess of \$150,000
- Some High Schools raised in excess of \$500,000

# Why Do People Steal From Children?

---



- **MOTIVE:** Large amount of money, "They won't miss just a little." Financial Distress
- **OPPORTUNITY:** Created by intimidation, extreme trust, no safeguards, inadequate safeguards, failure to implement safeguards, improper accounting

# News Media Cases

---

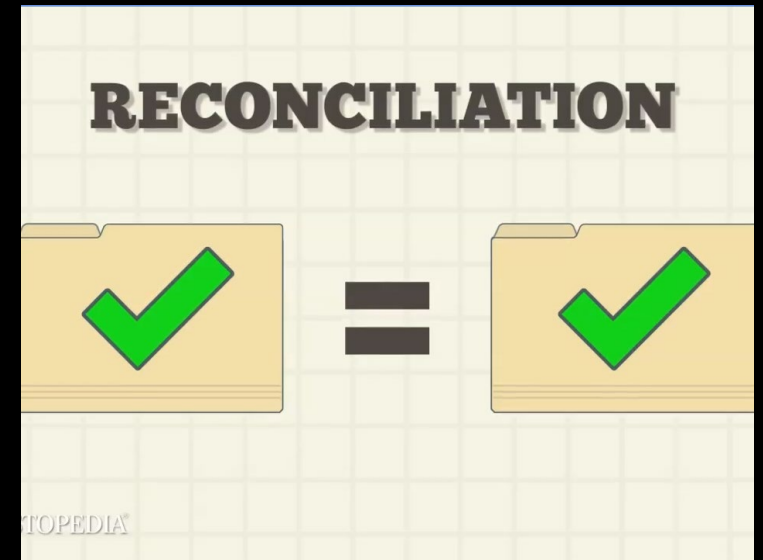


- Felony theft from an elementary school parent organization.
- Felony theft from a middle school parent organization.
- Felony theft from girl's soccer team.

# How to prevent Problems?

---

- DO NOT PRE-SIGN CHECKS! PLEASE!
- Develop and apply the appropriate By-Laws for each organization, submit updates to Internal Audit annually
- Require a Treasurer's Report immediately after the reading of the minutes from previous meeting
- Complete a Financial Recap after a Fundraising event takes place. Reconcile the cash and inventory.
- Reconcile Online Purchases and Sales





# How to Prevent Problems?

---

- Require proper backup: receipts, service orders, invoices, receiving slips etc.
- Reconcile the bank statement
- Be transparent about accounting records
- Multiple signers on checks
- Do not deviate from procedures set out in the By-Laws

TRUST  
BUT  
VERIFY  
*- RONALD REAGAN*



# Handlig Cash

---



- Always have two members count cash
- Verify cash receipts to the deposit slips and bank statement
- Address fundraiser shortages immediately
- Do NOT make checks payable to CASH!
- Utilize Bank/Credit Cards Properly...Keep Receipts and Provide them for Accounting Purposes

# Checking Accounts

---



- Protect your checkbooks at all times
- Reconcile bank account with receipts and invoices (match them up)
- Be aware of checking account scams and Craig's List scams
- Report any suspected fraud or scam attempt to Ft. Bend ISD Police 281-634-5500
- Consider "Positive Pay" or other similar service (Electronic Register Confirmation)

# What is Positive Pay?

---

**WHAT IS POSITIVE PAY?**



# Misapplication of Fiduciary Property

## WHAT IS IT?

A fiduciary who is entrusted with managing assets or property to a client's utmost benefit mishandles the property to the client's harm.



## PUNISHMENT & OFFENSE LEVEL

This offense is punishable at every offense level from class C misdemeanor to first degree felony, depending on the monetary value of the property or asset involved.



## WHAT ARE THE DEFENSES?

There is no specific defense, so an accused must negate one of the offense elements, like arguing absence of "fiduciary" relationship or lack of the necessary mental state.



## DID YOU KNOW?

A common application of this statute is when a fiduciary converts a client's funds to their own use for no valid reason.



## WHAT IS THE STATUTE OF LIMITATIONS?

The Statute of Limitations for this provision is 7 years, which means a person can be prosecuted for 7 years after the offense.



# Protect Yourself, Protect Your School

---



- Demand integrity and proper accounting
- Provide integrity and proper accounting
- Participate in the process
- Ask others to participate
- Be transparent
- When a problem is discovered, don't wait, notify the Principal, Internal Audit and the Police if necessary 281-634-5500