

Ethics Tipline Incident #120074221
Metro Animal Service Donation Fraud Allegation
Review
Meeting Notes – (MAS) Robinson and Brosko 8/22/14

Introduction

A meeting was held in the Office of Internal Audit (OIA) offices on August 22, 2014. The purpose was to gain an understanding of the process for accepting, recording, and monitoring donations. Further, the allegation of using funds donated for a specific animal for other animals in the shelter (related to tipline incident #120074221) was also discussed. Attendees included Ingram Quick (Director) and May Porter (Assistant Director) of OIA and Donald Robinson (Assistant Director) and Margaret Brosko (Former Public Information Officer) of Metro Animal Services (MAS).

Donation Process

Donations are received into MAS by way of the internet, mail, or walk-ins. Internet donations are collected by way of the louisvilleky.wufoo.com website by completing the Online Donation Form at **Exhibit A1**. Donors are able to specify which of three MAS funds they'd like their donation to go towards. There is a comment section within the form which allows a donor to identify a specific use for the funds that he/she donates. The donation amount and intended use is automatically recorded within the Chameleon System. The Chameleon System is the system used by MAS to track activity, including donations. The amount and intended use of donations received by mail are manually keyed in to the Chameleon System. Usually mailed in donations are accompanied with animal license renewal letters which include an option for donors to specify their intended use of the donated funds. The designated use may also be included in the memo on the check. Walk-in donations may be received during the course of a standard transaction. In which case the donor may identify the amount of the donation, and which fund the donation should go to. Donors may identify exactly how the donation should be used (i.e. to the building fund to repair fences.) The transaction is recorded as usual, except the amount and intended use of the donation is manually keyed into Chameleon. For example, there may be \$20 tendered, \$15 for standard transaction (i.e. violation fee); the remaining amount of \$5 may be donated to one of the three MAS funds. Whether by mail, internet, or walk-in; if the donor does not specify which fund and/ or specifically how the funds should be used, it is at MAS management's discretion to determine the best use of the funds.

Donors may choose to donate funds to three MAS donation funds. The funds are as follows:

- The Spot Fund, a non-profit organization that helps MAS by subsidizing projects, programs, and educational efforts that benefit the animal cause.
- The Building Fund, which is dedicated for a new facility
- The Animal Care Fund, which provides medical and surgical care for shelter animals and helps MAS provide a better environment for animals.

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As the Spot Fund is a separate non-profit entity funds collected on its behalf require approval from the SPOT Board of Directors before the funds can be expended. The business office issues donations collected by MAS to Spot by way of a check on a quarterly basis.

Donations received for the Building Fund or the Animal Care Fund require approval from OMB before expenditures can be made.

Cash donations received at MAS is forwarded to Cash Management within the Office of Management and Budget. The cash is deposited into the appropriate Louisville Metro Government bank account. Cash is accompanied by the relevant system reports (generated from Chameleon). These reports help Cash Management and the business office identify the proper journal entries to make within Metro's Financial System (LeAP) to record the receipt of the donated funds. OIA will meet with OMB staff to discuss further. On a quarterly basis, a Quarterly Donation Report is prepared and maintained in the Office of Management and Budget.

Policies and Procedures (Departmental and Enterprise)

MAS does not have departmental policies and procedures regarding the acceptance, recording, and monitoring of donations.

MAS does not act in accordance with Enterprise Policies and Procedures, which require that all donations, regardless of amount, result in a Donor Letter, Acknowledgement Letter, Distribution Plan and Data Donation Sheets. Per Enterprise Policies and Procedures, these documents should be generated and maintained for each donation, regardless of amount. MAS does issue an Acknowledgement Letter on a case by case basis, specifically if funds are received by way of a check. However, MAS does not maintain any record of Acknowledgement Letters previously issued.

Allegation Response

Per Donald Robinson, there was approximately \$260 in earmarked funds for Sadie's surgery. A total of \$200 was the result of funds that were donated through an internal fundraiser at MAS. MAS Management earmarked the \$200 for Sadie's surgery. The remaining \$60 was raised by a former-employee specifically for Sadie's Surgery, which included a \$10 and \$50 check from donors.

Ingram Quick asked if either Robinson or Brosko had ever used funds intended for Sadie's surgery to benefit another animal. Each answered, "No."

Contact Persons:

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