



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

March 30, 2017

Ronald Kevin Lemoine, Superintendent,  
and Members of the Pointe Coupee Parish  
School Board  
337 Napoleon Street  
New Roads, Louisiana 70760

Dear Superintendent Lemoine and Board members:

As you are aware, my Investigative Audit staff visited the Pointe Coupee Parish School Board (school board) to assess the validity of certain complaints. This letter briefly summarizes the result of our work. We stress the importance of addressing this issue and encourage you to consider our recommendations as you work to resolve the following:

### **School Board Improperly Paid Stipends to Employees**

On February 10, 2017, we received a complaint that the school board paid bonuses to employees in January 2017. During our review, we found that the school board distributed one-time “stipends” to 345 employees between January 25, 2017 and January 31, 2017. The value of these stipends was \$750 for certified employees and \$500 for support staff employees and totaled \$228,750. School board meeting minutes indicate that the stipends were authorized by an 8-0 vote of school board members at the school board meeting held on December 15, 2016. Funds for the stipends were transferred from the general fund bank account to the payroll account and then paid to the employees, subject to appropriate withholdings and deductions. According to Superintendent Lemoine and school board members, the purpose of the stipends was to assist with the retention of employees by making employee salaries more competitive with neighboring school districts.

Although the state constitution prohibits the unearned payment of funds to employees, the Louisiana Attorney General has opined that compensating employees for future services is permissible.<sup>1</sup> To show that stipends are compensation for future services, and not for past services, the school board should document its intent at the beginning of each fiscal year by budgeting for an increase, should funding be available. If salary increases are agreed upon at the beginning of the year for services to be rendered during that year and payable pending sufficient funds, then the increases would appear to be constitutional. In this instance, school board management did not document that the extra compensation, or stipends, were for future services. In addition, the school board should be aware that one-time payments may obligate the board to

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<sup>1</sup> Louisiana Attorney General *Opinions* 10-0299 and 01-0272

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continue the payments annually in accordance with Louisiana Revised Statute (La. R.S.) 17:418(C)(1), which requires that the annual salaries paid to school board employees in any school year not be reduced below the amount of such salaries paid during the previous school year. By failing to document that these payments were not extra compensation for past services, school board management may have violated the Louisiana Constitution,<sup>2</sup> which prohibits the donation of public funds.

### Recommendations

Should the school board wish to continue to pay stipends to employees, we recommend that the school board implement policies and procedures to document that stipends are budgeted increases (pending available funds) for future services rather than past services or no services. In addition, these policies and procedures should ensure that the school board complies with state law<sup>3</sup> by not reducing the salaries of school board employees during the school year following a salary increase. This correspondence represents our finding and recommendations, as well as management's response, and is intended primarily for the information and use of management of the school board. I trust this information will assist you in the efficient and effective operations of the school board. If you have any questions, please contact Greg Clapinski or Gary Duty at (225) 339-3800.

Sincerely,



Daryl G. Purpera, CPA, CFE  
Legislative Auditor

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<sup>2</sup> **Louisiana Constitution Article VII, Section 14(A)** states, in part, that "Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private."

<sup>3</sup> **La. R.S. 17:418(C)(1)** states, "The amount of the annual salary paid to a teacher or other school employee in any school year shall not be reduced below the amount of such salary paid during the previous school year, nor shall the amount of the annual salary paid to such school personnel be reduced at any time during an academic year."

## APPENDIX A

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### Management's Response





# Pointe Coupee Parish School Board

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March 28, 2017

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

This correspondence is in response to the letter and draft investigative audit report from Mr. Roger W. Harris, J.D., CCEP dated Thursday, March 16, 2017.

The Pointe Coupee Parish School Board, as well as its Superintendent, would like to express sincere regret for the error made with regard to awarding our teachers and support staff a one-time stipend during the month of January 2017.

Recognizing that salaries in our school district dramatically lag behind surrounding school districts, the purpose of the stipend was an effort to try to retain effective teachers and employees. Since employees in our school district are entitled to a one-time stipend from excess revenue that is collected from a one-cent sales tax, we thought that it would be in the best interest of our school district to distribute a stipend from an unexpected increase in ad valorem taxes collected this fiscal year. Please understand the stipend was provided to all full-time employees of the school district and that the School Board Members did not receive a stipend.

We do appreciate the professionalism of the Legislative Auditors during this process and the guidance provided to ensure that we have the proper policies in place prior to making similar decisions in the future. At the beginning of each fiscal year forthcoming, the School Board will consider documenting the potential of a one-time stipend for its employees in the annual budget.

Respectfully yours,

Anita LeJeune, President

Ronald Kevin Lemoine, Superintendent

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