

**LOS ANGELES UNIFIED SCHOOL DISTRICT
CHARTER SCHOOLS DIVISION**

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Superintendent of Schools

Dr. FRANCES GIPSON
*Chief Academic Officer
Division of Instruction*

JOSÉ COLE-GUTIÉRREZ
Director, Charter Schools Division

November 15, 2016

NOTICE TO CURE

Sent via Email and Certified U.S. Mail

PCHS Board of Trustees, Chair
Palisades Charter High School
15777 Bowdoin Street
Pacific Palisades, CA 90272

Attention: Emilie Larew, Governing Board Chair and Dr. Pamela Magee, Executive Director

SUBJECT: NOTICE TO CURE: IMMEDIATE ACTION REQUIRED

PALISADES CHARTER HIGH SCHOOL- FOLLOW UP TO NOTICE TO CURE
Charter Number – 19 64733 1995836 State Charter No.0037 Location Code - 5370

Dear Governing Board Chair Larew and Dr. Magee:

The purpose of this notice is to inform the governing board of Palisades Charter High School (PCHS) of the Charter Schools Division's (CSD) concerns regarding the financial activities of PCHS baseball fund and snack shack sales accounts.

In response to ongoing stakeholder concerns regarding the school's baseball account, the CSD has been in communication with PCHS over the last several months to request information as part of ongoing oversight. On June 8, 2016, CSD sent an email to Dr. Magee requesting for copies of documentation regarding the fundraising activities of PCHS, specifically, the baseball account and snack shack sales for fiscal year 2015-2016. Around June 26, 2016, the school responded to CSD's request and provided the items requested in CSD's email of June 8, 2016. However, upon review of the documents received, CSD staff needed further clarification/verification from the school. On September 15, 2016, the CSD staff met with Dr. Magee and her staff. The visit and interview with school leaders provided the following information regarding the fiscal processes of the baseball and snack shack sales accounts:

- a. The baseball and snack shack fundraising program are being run by volunteers.
- b. There are no formal written procedures currently in place.
- c. The reporting of sales and reimbursement purchases were conducted via an "Honor" system by the volunteers involved in the program.
- d. Besides the volunteers, there are no other parents, students and community members involved in the planning and preparation of the fundraising events.
- e. There is no monitoring process currently in place to track inventories for both items for sale and for supplies purchased.
- f. The Snack Shack sales makes minimal profit because it was designed to provide convenience to families and event spectators.

- g. The annual Traditional Dinners offers subsidy program to players with financial challenges. All players were informed by the coach as to the availability of said financial support.
- h. A formal fundraising policy was recently approved by the governing board of Palisades Charter High School (PCHS). Dr. Magee and her team will meet with the finance manager of the school's Student Body fund to design a written policy for the baseball and snack shack sales funds. The estimated date of completion was September 30, 2016.

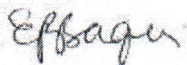
Based on the information above, CSD recommends that Palisades Charter High School's governing board take immediate action on the following items by close of business on Monday, December 5, 2016:

- Provide a copy of the written fiscal policy related to the baseball account.
- Provide a copy of the written fiscal policy related to the snack sales account.
- Provide proof that going forward, all fundraising activities of the school will have a formal written fiscal policy duly approved by the governing board of PCHS.
- Provide sample copy of Statement of Estimated Sales and Expenses which will be prepared prior to the start of each fundraising events.
- Provide sample copy of the inventory monitoring process which will be put into place to track the movements of sales and items purchased.
- Provide a copy of the governing board approved meeting agenda and minutes that reflect the discussion of the action items stated above.
- Provide copies and any additional and appropriate action taken to address concerns raised related to the baseball account and snack shack sales.

Lastly, due to the concerns of the community regarding the baseball and snack shack sales accounts as well as to promote transparency and accountability of the financial activities of these two funds, CSD recommends that the school initiates an independent audit of the above mentioned programs covering the period of at least five years beginning with fiscal year 2011-2012 . Please also let us know your response regarding the audit.

Thank you for your timely attention to this matter.

Sincerely,



Emmaliza Baquir, Fiscal Oversight Administrator

Cc: José Cole-Gutiérrez, Director, Charter Schools Division
Robert Perry, Ph.D., Administrative Coordinator
Sharon Bradley, Senior Coordinator
Chris Humphrey, Specialist
Ruby Chang, Fiscal Services Manager