

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) conducted a review of the accounting and use of non-governmental donations administered by the City. The objective was to determine whether the City accounted for and expended donations appropriately.

The report revealed that:

- The City failed to update its Accounting Policies and Procedures manual, and it lacked a detailed written policy on the proper management and documentation of donations.
- The Director of Finance did not make reports on the Miscellaneous Donations Fund (MDF) activities to the CAO and Council as required by Section 70-415 of the Municipal Code.
- The City of New Orleans was in noncompliance with its internal policy² by placing federal grants that were subject to specific regulatory conditions in the General Fund.

Note: The OIG tested 100% of the \$609,208 in MDF Receipts, and noted that the City was able to provide supporting documentation for all receipts except one totaling \$6,000. All other receipts reviewed were determined to be donations to a particular department within the City, and none of the donations were earmarked by the donor for a particular neighborhood of the City. The table below summarizes the departments receiving the donations.

Table 1: Departments Receiving Donations

Department Receiving Funds	Amount
New Orleans Recreation Department	\$357,118
New Orleans Public Library	119,471
Health Department	86,691
New Orleans Police Department	20,000
New Orleans Fire Department	20,000
Unidentified – City Unable to Locate	6,000
Total	\$609,280

² The City's unwritten policy requires federal and state grants to be placed into a special revenue fund.