

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

68-0157 (9-06) - 3091078 - EI

**MICHELE A TAYLOR**  
Claimant

**APPEAL NO. 07A-UI-08118-CT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**MOSAIC**  
Employer

**OC: 07/22/07 R: 02  
Claimant: Appellant (2)**

Section 96.5(2)a – Discharge for Misconduct

**STATEMENT OF THE CASE:**

Michele Taylor filed an appeal from a representative's decision dated August 20, 2007, reference 01, which denied benefits based on her separation from Mosaic. After due notice was issued, a hearing was held by telephone on September 10 and September 14, 2007. Ms. Taylor participated personally and was represented by James Hamilton, Legal Assistant. The employer participated by Carol Mau, Executive Director; Linda McManus, Business Manager; and Nancy Seel, Human Resources Manager. The employer was represented by Ralph McGlothlen of TALX Corporation. Exhibits One through Nine were admitted on the employer's behalf.

**ISSUE:**

At issue in this matter is whether Ms. Taylor was separated from employment for any disqualifying reason.

**FINDINGS OF FACT:**

Having heard the testimony of the witnesses and having reviewed all of the evidence in the record, the administrative law judge finds: Ms. Taylor was employed by Mosaic from March 27, 2006 until July 26, 2007 as a full-time accounting specialist. She was discharged for failing to follow procedures. Her job was to manage the checkbooks and financial accounts for approximately 150 Mosaic clients. Her discharge was prompted by the fact that the bank refused to honor a check on a client's account.

On July 25, 2007, Ms. Taylor wrote a check for \$70.00 for cash for a client. When the check was presented to the bank, it was not honored because the client did not have sufficient funds to cover the check. The client's bank statement had been received on July 23. Ms. Taylor circled the ending balance and wrote her initials and the date of 7/24/07 on the statement as an indication that she had reconciled the account. As it turned out, she had failed to deduct the clients automatic rent payment from her account. She was suspended on July 25 and notified of her discharge on July 26, 2007.

Ms. Taylor had received a verbal warning on October 24, 2006 because of excessive tardiness and absenteeism. She received a written warning on January 29, 2007 because of inaccurate information on her timecard. She was gone for 45 minutes during the lunch hour but indicated only 15 minutes on her timesheet. She was with another employee during the lunch break. The other individual had permission to perform work-related duties while out for lunch but Ms. Taylor did not. Ms. Taylor did not count as part of her lunch break the time she spent assisting the other individual. There were no further such incidents after the warning.

Ms. Taylor received a written warning on June 21, 2007 after a client received a disconnect notice for phone service. She had just taken over handling the account from another accounting specialist. When the phone bill arrived, Ms. Taylor paid only the current charges with the intent of investigating what appeared on the bill as a past-due amount. The disconnect notice arrived before she could look into the matter further.

The employer met with Ms. Taylor and gave her a final written warning on July 23, 2007. The warning resulted from problems discovered during an audit by the finance director. It was discovered that some receipts were missing and that checks were not always noted in sequence in the checkbook ledger. It was also found that she was not reconciling bank statements within five days of receipt as required. Ms. Taylor sometimes received as many as 50 bank statements in one day. The audit also revealed that she was not making financial entries into the computer on a consistent basis. The warning recited the fact that Ms. Taylor had advised her supervisor on July 19 that she was using the wrong checks for a client. She was writing checks from his personal account believing they were from his payee account. The payee account is for items such as rent, utilities, and groceries. The personal account is primarily for recreational activities.

Ms. Taylor was told on July 23 that she had until July 31 to bring all accounts to a current status. She was also advised that any further concerns regarding her performance would result in her discharge.

#### **REASONING AND CONCLUSIONS OF LAW:**

An individual who was discharged from employment is disqualified from receiving job insurance benefits if the discharge was for misconduct. Iowa Code section 96.5(2)a. The employer had the burden of proving disqualifying misconduct. Cosper v. Iowa Department of Job Service, 321 N.W.2d 6 (Iowa 1982). Although the employer's evidence establishes that Ms. Taylor was an unsatisfactory employee, it does not establish a deliberate and intentional disregard of the employer's standards or interests. She was responsible for at least 150 checkbooks belonging to clients. Given this volume, errors are bound to occur periodically. The fact that she made errors on occasion does not establish a willful disregard of standards.

Ms. Taylor did fail to pay the full amount of a client's phone bill in June of 2007. However, it was the first time she was responsible for paying this bill for this client. Perhaps she should have paid the full bill, including the past-due amount, and investigated the past-due amount later. Her good-faith error in judgment was not an act of misconduct. She also misstated her lunch break in January of 2007. She did not account for the time spent assisting another individual. Her conduct was again based on a good-faith belief that she was acting appropriately. She believed she was performing a work-related function by assisting her coworker.

It appears to the administrative law judge that Ms. Taylor did not have the skills or organizational ability to keep pace with the different procedures necessary to perform her job successfully. At most, she may have been negligent on occasion. The evidence failed to

establish that her negligence was so recurrent as to manifest a substantial disregard for the employer's interests. There was only one occasion when a client's services were threatened because of the failure to pay a bill timely. Furthermore, Ms. Taylor was not totally responsible for the delinquency as she took over the account from another specialist who apparently had neglected to pay the bill timely. Although there were problems brought to her attention on July 23 as a result of an internal audit, the evidence failed to establish that the errors found were so widespread as to constitute a wanton disregard for standards.

While the employer may have had good cause to discharge Ms. Taylor, conduct that might warrant a discharge from employment will not necessarily support a disqualification from job insurance benefits. Budding v. Iowa Department of Job Service, 337 N.W.2d 219 (Iowa 1983). For the reasons cited herein, the administrative law judge concludes that the employer has failed to establish disqualifying misconduct. Accordingly, benefits are allowed.

**DECISION:**

The representative's decision dated August 20, 2007, reference 01, is hereby reversed. Ms. Taylor was discharged but disqualifying misconduct has not been established. Benefits are allowed, provided she satisfies all other conditions of eligibility.

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Carolyn F. Coleman  
Administrative Law Judge

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Decision Dated and Mailed

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