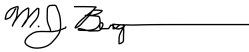


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

July 6, 2021

MEMORANDUM

To: Mrs. Renay C. Johnson, Principal
Montgomery Blair High School

From: Mary J. Bergstresser, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period
April 1, 2019, through March 31, 2021

Independent Activity Funds (IAFs) of Montgomery County Public Schools (MCPS) are established to promote the general welfare, education, and morale of students, as well as to finance the recognized extracurricular activities of the student body. School principals are the fiduciary agents for the IAFs charged with determining the manner in which funds are raised and expended for activities such as field trips, admission events, and fund-raisers. They are responsible for ensuring that the IAFs are administered in accordance with Board of Education policies and MCPS regulations and procedures.

The IAF audits are conducted regularly to evaluate compliance with policies, regulations, and procedures, and to review processes for continuous improvement. Generally accepted audit procedures guide the work of the auditors who examine samples of the IAF records and financial accounts selected from documentation of various activities to verify their accuracy, as well as to assess the effectiveness of financial control procedures. An IAF audit does not review every transaction or school activity but seeks to provide reasonable assurance that any significant errors or omissions in the financial records are detected.

At our June 8, 2021, virtual meeting with you; Mr. James W. Funk, school business administrator; and Ms. Donna M. Franklin, school financial specialist, we reviewed the prior audit report dated June 4, 2019, and the status of present conditions. This audit report presents the findings and recommendations resulting from our examination of the IAF records and financial accounts for your school for the period designated above.

Findings and Recommendations

The general ledger report must be prepared and given to the principal no later than the 20th day following the close of each month (refer to the *MCPS Financial Manual*, chapter 20, page 9). The principal review of these reports is critical to the management of the IAF so that sound business decisions can be made when requests for purchases are submitted. Principal review of reports should alert staff to large negative balances that continue to the end of the school year, and prompt

staff to take timely corrective action to eliminate the cause of such negative balances (refer to the *MCPS Financial Manual*, chapter 20, page 12). Although the principal was signing monthly reports to indicate review, we found that several accounts had negative balances at the end of the audit period, without a plan to determine and eliminate the cause of the negative balance. We recommend that the principal meet regularly with the business manager to review the reports and develop a plan for reducing the negatives balances so that reports accurately present the IAF financial position.

Transfers must be fully documented and adhere to MCPS guidelines for allowable uses of funds. In addition, transfers of funds between general ledger accounts may be made only after MCPS Form 281-46, *Independent Activity Fund –Transfer*, has been executed by both the account sponsor and the principal. In your audit action plan, you indicated that the financial specialist will process transfers and review them for accuracy and appropriateness. In our review of transfers, we found instances where transfers were inappropriate, did not have adequate documentation, or were not reviewed and approved by the account sponsor although transfer requests were routinely signed by the principal. We recommend that transfers are reviewed and approved by sponsors, requests are supported by proper documentation, and that transfers meet requirements for appropriate use of funds, prior to presenting requests to the principal for approval (refer to the *MCPS Financial Manual*, chapter 20, page 12).

In accordance with MCPS Regulation EGD-RA, *Telephone Services and Costs*, MCPS provides cellular service to employees whose job responsibilities regarding the health and safety of students and staff require immediate communications and decision making, increase productivity, or increase service to the public. Smartphones have computer, as well as, telephone features, and as such are also subject to MCPS Regulation IGT-RA, *User Responsibilities for Computer Systems, Electronic Information, and Network Security*. We noted that IAF activities were used to provide additional service lines. Monthly detailed invoices were on file but each line had minimal usages. We recommend that school administration review the issuance of school-owned phones to assure compliance with the above cited MCPS regulations and that the equipment and service plan meets the goal of the school's educational and business purposes at the most cost-effective price.

MCPS Form 280-54, *Independent Activity Funds Request For A Purchase*, is used to obtain principal approval to proceed with an intended purchase (refer to the *MCPS Financial Manual*, chapter 20, page 4) and must be completed accurately. The purpose of each disbursement must be fully explained on this form in order to properly record expenditures in appropriate accounts and to ensure that expenditures comply with IAF requirements. There is also a requirement for adequate documentation to support the procurement of the goods and services, such as an original invoice or itemized receipt. Invoices for goods or services must be signed by the purchaser to indicate satisfactory receipt. The financial specialist will then mark the documentation as "paid," prior to disbursing the funds. In your audit action plan, you indicated that you will educate and require staff to obtain principal prior approval before purchase, reimbursement requests will be denied when processes are not followed, and complete documentation and proof of available funds are required prior to purchase. In our sample of disbursements, we found many instances in which purchases were not pre-approved, purchase requests were not completed accurately and completely, support documents were inadequate, expenditures were not recorded incorrect

accounts, and invoices and online purchase confirmations were not always signed by the receiver to indicate goods or services were received, and that payment could be processed. We recommend that MCPS Form 280-54 be prepared and completed accurately by staff with an estimate of expected expenditure and signed by the principal at the time verbal approval is sought. We also recommend that all support documents are adequate, expenditures are recorded in correct accounts, the purchase be verified as complete by the recipient, and that the invoice/packing slip(s) be marked "received" and signed/dated by the recipient when goods are received at the school. Requiring invoices to be marked "received" ensures that goods or services have been satisfactorily received prior to payment.

Except for specifically excluded items, any procurement requiring the disbursement of \$7,500 or more, or any contract with an anticipated aggregate expenditure of \$7,500 or more, requires the prior written authorization of the associate superintendent of finance using MCPS Form 281-55, *Restricted Independent Activity Fund (IAF), Purchases (OOF) Request for the Associate Superintendent of Finance's Approval*. During our review of disbursements, we found the school had expended sums in excess of the limit to purchase audio-visual equipment without the required approval. The use of the approval process helps assure compliance with laws and regulations governing procurement. We recommend all purchases of equipment be coordinated with the MCPS Division of Procurement to assure approvals and controls are achieved (refer to the *MCPS Financial Manual*, chapter 20, page 5).

Independent contractors, or consultants working in schools, must comply with all laws and MCPS requirements set forth in the *Montgomery County Public Schools Procurement Manual*. MCPS Form 280-49A: *Authorization for Consultant/Independent Contractor (Vendor) Services Paid with Independent Activity Funds (IAF)*, is used to document authorization/approval for all consultant/independent contractor services paid with IAF. We found that this form had not been completed for all payments to independent contractors during our audit period. We recommend the project manager initiate MCPS Form 280-49A to document the authorization and approval to pay a consultant/independent contractor with IAF. If the payment due for the vendor's services is \$1,500 or more, a purchase order is also required (refer to the *MCPS Financial Manual*, chapter 15, page 2).

The MCPS Purchasing Card Program streamlines the process for making low-dollar purchases that are necessary for MCPS operations. Use of the purchasing card does not relieve the cardholder from complying with all MCPS regulations, the procedures in the *MCPS Procurement Manual*, or the *MCPS Financial Manual*. In addition, use of the MCPS purchasing card must be in accordance with the requirements of the *Montgomery County Public Schools Purchasing Card User's Guide*. By the fifth business day of the following month, cardholders must use the online reconciliation program to identify, describe, and review transactions. Monthly statements, or the statement of account landscape report, must be printed and provided to the principal or delegated approver, with all purchase receipts and invoices attached. The principal or delegated approver must review each cardholder's transactions and approve them by the 10th of the following month, using the online reconciliation program. We found that some cardholders used the school's instructional materials card, which is linked to their budgeted funds, inappropriately. We also found not all cardholders promptly prepared their monthly statements, provided the description of items purchased,

indicated IAF account number when required, attached their purchase receipts, or reviewed their transactions in the online reconciliation program. We also found that the approvers had not approved all transactions online. We recommend that action be taken to correct these conditions and bring purchasing card usage into conformity with MCPS requirements.

In order to properly control receipts, cash and checks collected by sponsors and others for the IAF activities must be remitted promptly to the school financial specialist with completed MCPS Form 280-34, *MCPS Independent Activity Fund Remittance Slip*. Cash must be counted in the presence of the remitter and a receipt that is supported by the MCPS Form 280-34 must be issued promptly. Remittances received should, in turn, be promptly deposited into the school's bank account. In addition, all remittances must be deposited before each weekend or holiday. Large and infrequent deposits increase the possibility of a loss of funds as well as decrease the school's ability to fund activities. In your audit action plan, you indicated that sponsors will turn in funds daily and the financial specialist will process and deposit them into the school's bank account daily. During our review of cash receipts, we found that MCPS Form 280-34 was not always completed accurately, not all remittances were accompanied by MCPS Form 280-34, and funds provided by outside sources were often recorded as received from an account sponsor, rather than from the outside source. We also found instances in which remittances were not turned in and deposited daily. Moreover, we found one instance in which the school deposited a vendor refund for overcharge to the school's IAF when the original payment was paid from the school's operating funds. We recommend following MCPS cash control procedures (refer to the *MCPS Financial Manual*, chapter 7, pages 3-5) and refunding vendor payments for overcharges to MCPS promptly.

The MCPS reimbursement account #0060.0000 is used to record disbursements in the IAF, which are to be repaid by the school's budgeted funds. It is the school's responsibility to ensure that these disbursements are allowable purchases with the school's budgeted funds and are eligible for MCPS reimbursements. In addition, the account needs to be reconciled often in order to check that all reimbursable items have been properly recorded, processed, and received. In our review of MCPS reimbursement requests, we noted the financial specialist did not follow the prescribed processes in accordance with Board policies, and MCPS regulations and procedures when submitting MCPS reimbursement requests. We noted account #0060.0000 was not used to record reimbursable expenses, expenses were not recorded in accurate accounts, some reimbursement requests were for ineligible expenditures, and there was a reimbursement request for expenditures that had been paid for with a grant. We recommend the expenditures that were reimbursed by MCPS be paid back promptly and you monitor all reimbursement requests in the future.

Fund-raising at the school must conform to the *Guidelines for Sponsoring an IAF Fund-Raiser*. In your audit action plan, you indicated that all fund-raisers will be documented properly and reviewed for accuracy and completeness by the financial agents. In our review, we found that there was a lack of adherence to these guidelines. We found that not all sponsors were preparing fund-raiser request forms to obtain your approval prior to the start of an activity. We also noted that not all sponsors were submitting a completion report at the conclusion of the fund-raiser. A completion report for an activity involving the sale of items must include the total number of items for sale and cost of each, selling prices, and any remaining inventories to determine whether all sums collected were remitted to the school financial specialist. We also noted that school clubs

were conducting online fund-raisers and did not follow the procedures outlined in the memorandum jointly issued by the deputy superintendent of school support and improvement, general counsel, and chief financial officer (refer to *Guidelines for Crowd-funding and Other Online Fund-raising*, July 26, 2018). Following these internal control procedures provides for accountability of funds raised, as well as the opportunity to evaluate the results at the conclusion of the event. We recommend that each fund-raiser be approved by the principal, or designee, in writing and the approval retained in the school office. Financial activities for each fund-raising activity must be recorded in a separate account in the 7000 series and a completion report prepared that analyzes the results (refer to the *MCPS Financial Manual*, chapter 20, page 13).

Retail sales tax must be collected by the school and remitted to the State of Maryland on the sales of all taxable merchandise. Taxable merchandise includes yearbook, school store, fund-raiser items, physical education clothing, and other items that become the personal property of the individual making the purchase (refer to the *MCPS Financial Manual*, Chapter 18, page 2). In your audit action plan, you indicated that sales tax will be added to fund-raiser approval forms and all required sales tax will be collected and remitted to the State of Maryland. In our review, we noted some t-shirt fund-raiser sales for which sales tax had not been collected and remitted to the State of Maryland. We recommend that the school achieve full compliance by working with sponsors to determine activities for which sales tax must be collected and ensure that the tax due is properly calculated.

Field trips must be conducted in accordance with MCPS Regulation IPD-RA, *Travel-Study Programs, Field Trips, and Student Organization Trips*. Trip approval forms, signed and dated by the principal, must contain all expense information, any subsidy information, and the field trip cost to be charged per student. Sponsors of field trips must have a complete class or club roster of student names and annotate how much each student paid, date paid, students who did not participate in the trip, and students who received waivers, scholarships, or reduced fees. This data, together with a list of all chaperones and volunteers, must be provided to the financial specialist at the completion of each trip, and compared to remittances recorded in the trip account history report (refer to the *MCPS Financial Manual*, chapter 20, page 8). In your audit action plan, you indicated that field trips will have complete and accurate documentation and will be closed out and fully funded. We found that not all trips had approvals on file, sponsors are not always providing completed data at the conclusion of each trip, and that data is not being compared to the final account history report. We recommend that all sponsors be required to use MCPS Form 280-41 *Field Trip Accounting*, or equivalent, and follow the procedures outlined above. In addition, we recommend that the financial specialist complete a reconciliation of field trip activity as soon as the final comprehensive data is received from the sponsor and the close the account.

MCPS Board of Education Policy JNA, *Curricular Expenses for Students*, and instructions contained in the attached annual memorandum from the Office of Curriculum and Instructional Programs, and the Office of Teaching, Learning, and Students (OTLS) require all course-related fees be assessed annually with an online request submitted for approval. For the collection of course fees, class sponsors must have a complete class roster of student names entered on a worksheet to annotate how much each student paid, students who had fees waived or reduced, and obligations issued (refer to the *MCPS Financial Manual*, chapter 20, page 11). We found you

charged course fees that had not been fully approved. We also found that sponsors did not submit a completed record of all fees collected and there was no evidence of independent reconciliation. You have some accounts that have balances and we recommend transferring these to a sub account (4016.9999) to be used for materials necessary to teach the courses. We recommend that all fees are approved and that sponsors follow these internal control procedures which provides for accountability of funds collected as well as the opportunity to evaluate the results at the conclusion of the collection period.

Notice of Findings and Recommendations

- Principal and financial agents must develop a business plan and monitor and improve cash management to correct the negative balances and present an accurate IAF financial position.
- Transfers between accounts must be appropriate and fully documented (**repeat**).
- The principal must evaluate the necessity of the cellular lines paid by the IAF.
- Purchase requests must be preapproved by the principal prior to procurement (**repeat**).
- Purchase requests must be completed accurately and completely and purchases must be recorded to the appropriate accounts (**repeat**).
- Purchaser must confirm receipt of goods or services prior to disbursement (**repeat**).
- The school must obtain prior written authorization of the associate superintendent of finance using MCPS Form 281-55 with any procurement exceeding \$7,500 individually or in aggregate, except for specific excluded items.
- The school must obtain prior written approval from the Procurement Unit using MCPS Form 280-49A when paying an independent contractor or consultant with IAF funds.
- Purchasing card activity must comply with the *MCPS Purchasing Card User's Guide* and other MCPS regulations (**repeat**).
- Funds collected by sponsors must be promptly remitted with MCPS Form 280-34 to the school financial specialist (**repeat**).
- Funds remitted by sponsors must be promptly receipted and deposited in the bank by the school financial specialist (**repeat**).
- Financial specialist must receipt funds provided by outside sources to the outside source (**repeat**).
- Financial specialist must follow prescribed MCPS processes when submitting and recording MCPS reimbursements.
- Fund-raising must conform to *Guidelines for Sponsoring an IAF Fund-Raiser* (**repeat**).
- Tax must be collected on taxable sales and remitted to the Comptroller of Maryland (**repeat**).
- Field trip sponsors must prepare comprehensive field trip records to account for all students eligible to participate and to reconcile funds collected with the account history report (**repeat**).
- Course fees must be approved and sponsors must turn in a complete class roster with annotation on student payment records to allow account reconciliation.

Other matters were discussed and satisfactorily resolved. We appreciate the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, using the attached action plan, please provide a written response to the Internal Audit Unit within 30 calendar days of this report. In your response, please share a detailed plan for addressing these issues, including appropriate staff training and support.

Prior to returning your completed audit action plan, please contact Mr. Sean McGee, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools, for written approval of your plan. Based on the audit recommendations, Mr. McGee will indicate whether he will conduct an electronic review of your action plan or schedule a time to meet in person with you and your school financial specialist to support you with developing a well-defined plan to address the findings.

MJB:HT:lsh

Attachments

Copy to:

Members of the Board of Education

Dr. McKnight

Mr. D'Andrea

Ms. Dawson

Ms. Reuben

Mrs. Williams

Mrs. Morris

Mr. Reilly

Mrs. Chen

Mr. Klausling

Mr. McGee

Mr. Tallur

Ms. Webb

MEMORANDUM

January 30, 2020

Action Required - ANNUAL



Office of School Support and Improvement
Office of Curriculum and Instructional Programs
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

TO: Secondary School Principals

FROM: Niki T. Hazel, Associate Superintendent, Office of Curriculum and Instructional Programs ^{TA}
Cheryl L. Dyson, Area Associate Superintendent, Office of School Support and Improvement ^{CDP}
James P. Koutsos, Area Associate Superintendent, Office of School Support and Improvement ^{JK}
Diane D. Morris, Area Associate Superintendent, Office of School Support and Improvement ^{DM}

SUBJECT: Secondary Course-related Fees for the 2020-2021 School Year

Summary

- The purpose of this memorandum is to provide an update on allowable secondary course-related fees and to provide details for the 2020–2021 school year.

Background

- According to Board of Education Policy JNA, *Curricular Expenses for Students*; Montgomery County Public Schools (MCPS) Regulation JNA-RA, *Curricular Expenses for Students*; and the Guidelines for Secondary Course-related Fees (Attachment A), it is the expectation that every school provide, without charge, the textbooks, supplementary readers, audio/visual aids, stationery, and materials of instruction necessary to teach the curriculum or needed by the students to demonstrate mastery of the curriculum.
- The findings of the group indicated the need to address variance in course-related fee practices across schools. The following 2017–2018 course-related fee changes will continue in 2020–2021, based on the feedback from our stakeholders and community leaders. The goal is to decrease the number of fees for students each year and to ensure that materials of instruction funds are utilized to support curricular expenses.

Important Dates

- March 2, 2020:** deadline to submit a 2020-2021 secondary course-related fee request.

Action Required

- Schools should conduct a comprehensive review of all course-related fees, including analysis of the cost of materials, anticipated course enrollment for the upcoming school year, funds available in current and prior year course fee accounts, and instructional material funds allocated to support the course instruction.
- To request a course-related fee for 2020–2021, click the following link to submit an online fee request form by **March 2, 2020**: <https://forms.gle/dJBoVHLZSepVbGP48>
- You will be notified in mid-May 2020 of a decision for each course-related fee request.

Links/Additional Information

- <http://forms.gle/dJBoVHLZSepVbGP48>

Approved by:

A handwritten signature in blue ink, appearing to be 'M. Navarro'.

Maria V. Navarro, Chief Academic Officer

A handwritten signature in black ink, appearing to be 'Kimberly A. Statham'.

This e-mail message has been approved for distribution by Dr. Maria V. Navarro, chief academic officer; and Dr. Kimberly A. Statham, chief of school support and improvement. No hard copy will be provided.

ACTION REQUIRED BY: March 2, 2020

Office of Curriculum and Instructional Programs
Office of School Support and Improvement
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

January 30, 2020

MEMORANDUM

To: Secondary School Principals

From: Niki T. Hazel, Associate Superintendent, Office of Curriculum and Instructional Programs
Cheryl L. Dyson, Area Associate Superintendent, Office of School Support and Improvement
James P. Koutsos, Area Associate Superintendent, Office of School Support and Improvement
Diane D. Morris, Area Associate Superintendent, Office of School Support and Improvement

Subject: ACTION—Secondary Course-related Fees

Background

- The purpose of this memorandum is to provide an update on allowable secondary course-related fees and to provide details for the 2020–2021 school year.
- In 2016–2017, a cross-functional stakeholder group including principals, business administrators, and central services administrators met to study existing policy and course-related fees guidelines, as well as current school-based practices.
- According to Board of Education Policy JNA, *Curricular Expenses for Students*; Montgomery County Public Schools (MCPS) Regulation JNA-RA, *Curricular Expenses for Students*; and the Guidelines for Secondary Course-related Fees (Attachment A), it is the expectation that every school provide, without charge, the textbooks, supplementary readers, audio/visual aids, stationery, and materials of instruction necessary to teach the curriculum or needed by the students to demonstrate mastery of the curriculum.
- The findings of the group indicated the need to address variance in course-related fee practices across schools. The following 2017–2018 course-related fee changes will continue in 2020–2021, based on the feedback from our stakeholders and community leaders. The goal is to decrease the number of fees for students each year and to ensure that materials of instruction funds are utilized to support curricular expenses.

Summary of Course Fee Expectations and Approval Process

- In preparation of the 2020–2021 school year, the following expectations remain in place for approval of course-related fees.

1. Schools are expected to conduct a comprehensive review of all course-related fees in an effort to limit the dollar amount and number of course-related fees. Even if a fee has been approved and used for several years, it is essential that the need for the fee be assessed annually, through a comprehensive analysis that includes the following considerations:
 - cost of consumable supplies and materials required for the course(s)
 - anticipated enrollment for the course(s)
 - instructional material funds (Operating Budget) allocated by the school administration to support course instruction
 - Independent Activity Fund (IAF) dollars remaining in the course fee account(s)—current year and prior year fees.

As a reminder, it is the expectation that each principal will determine, in collaboration with the school leadership, if allowable fees will be charged, and set the amount of the fee at that school. No school is required to charge students allowable fees nor are schools required to charge a set amount. Any allowable fee must be for the cost of the item (rounded to the nearest dollar for ease of accounting)—no overcharge may be assessed to paying students to offset the costs absorbed by the school for students who are unable to pay. Also, a waiver must be available for any student fee.

2. Schools are reminded that materials of instruction necessary to teach the curriculum should be provided to students free of charge, unless: the materials are used to create a product eaten by the student; the materials are used to create a product that becomes the property of the student; or the materials become the personal property of students for reasons of personal hygiene or industry requirements.
 - **As of 2017–2018:** Based on review by the cross-functional stakeholder group, it was determined that schools will **not** be permitted to charge course-related fees to cover expenses for the following materials needed for core instruction even though these materials are used to create products that become the personal property of students:
 - Sculpting clay
 - Paints and stains
 - Printer ink cartridges
 - Paper (brochure, construction, drawing, manila, newsprint, photo, water color, etc.).
 - Special approval to collect student fees for the items listed above can occur in schools with advanced programs.
 - Course fees collected prior to July 1, 2017, which remain in the school's IAF should be held in unique subaccounts designated specifically for prior year course fees (i.e., 4xxx.9999). **Prior year course fees are exempt from the 2017–2018 course fee guidelines and should be utilized as soon as possible.** Prior year course fees can be used to resolve negative balances in the current year course fee account(s) and/or to purchase *any* instructional materials and supplies required for the course and other courses offered in the same curricular area.
3. Schools should use the following process to request all 2020–2021 course-related fees for items that meet MCPS course fee guidelines.
 - Course-related fee requests will be submitted using an online form submission process. A separate request form must be submitted for each course-related fee request. When requesting approval for a course-related fee, schools must provide specific information about the materials being purchased and the IAF funds available

in current and prior year course fee accounts that can be used to support the course. The request form will prompt the user to upload necessary documentation to be included in the request form submission. The request form link is included in the **Action** section below.

- Please note that the online course fee request process must be completed for each course-related fee to be implemented in 2020–2021, even if the fee has been previously approved.

Action

- Schools should conduct a comprehensive review of all course-related fees, including analysis of the cost of materials, anticipated course enrollment for the upcoming school year, funds available in current and prior year course fee accounts, and instructional material funds allocated to support the course instruction.
- Schools should fully utilize fund balances in current and prior year course fee accounts in the IAF and MCPS instructional materials allocations for the purchase of items required for the course prior to the fiscal year-end closing.
- To request a course-related fee for 2020–2021, click the following link to submit an online fee request form, <https://forms.gle/dJBoVHLZSepVbGP48> by **March 2, 2020**. You will be notified in **mid-May 2020 of a decision for each course-related fee request**

Questions

- For questions related to IAF accounting for current and prior year course fees in SchoolFunds Online (SFO), please contact Mrs. Mary J. Bergstresser, acting supervisor, Internal Audit Unit, via e-mail or at 240-740-5686.
- Please contact Dr. Arronza M. LaBatt, executive director, Office of School Support and Improvement, via e-mail or at 240-740-3100; or Mr. Scott W. Murphy, director, Department of Secondary Curriculum and Districtwide Programs, via e-mail or at 240-740-4000.

Guidelines for Secondary Course-related Fees

General Guidelines Regarding Course-related Fees

- Every school provides without charge the textbooks, supplementary readers, audio/visual aids, stationery, and materials of instruction necessary to teach the curriculum or needed by the students to demonstrate mastery of the curriculum.
- A definition of these terms has been established and used to determine whether or not a fee may be charged. These terms were drawn from legal, policy, and regulatory mandates.
- A waiver is available for any student fee.
- Each principal will determine, in collaboration with the school leadership, if allowable fees will be charged and set the amount of the fee at that school (up to the allowable maximum). No school is required to charge students allowable fees nor are schools required to charge a set amount, as long as the identified fee is below the allowable maximum.
- Any allowable fee must be for the cost of the item (rounded to the nearest dollar for ease of accounting). No overcharge may be assessed to paying students to offset the costs absorbed by the school for students who are unable to pay.
- A general fee cannot be charged; fees must be specific. No fee may be charged to a student population unless all of the students being assessed the fee benefit from it. In regard to senior class fees, the school should be prepared to give a breakdown of expenses. Parents/guardians must be informed of the specific reasons for which the fee will be charged.
- All fees should be published in advance prior to the start of the school year.
- If a student damages or loses an assigned item, the student will incur a financial obligation for the cost of repair or replacement.
- Students may be charged transportation and associated fees for a field trip, but this cannot be charged in advance as a course fee. The amount of the field trip fee should reflect the overall expenses of the trip (transportation, admission, chaperones, substitutes if required, etc.) divided by the total number of students expected to attend. Although the final student cost may be rounded to the nearest dollar for ease of accounting, no overcharge may be assessed to paying students to offset the costs absorbed by the school for students who are unable to pay. Please note the following for music students:
 - Music festivals are considered field trips; students may be charged a fee to cover transportation and other related fees, but this cannot be charged in advance as a course fee.
 - Students cannot be required to go to music festivals.
 - If a performance before an audience is needed to assess mastery, a concert should be held at the school.
- Fees may be charged by outside organizations for their services. Examples of these are as follows:
 - International Baccalaureate
 - Advanced Placement
 - Academy and industry certifications

Textbooks and Supplementary Readers

- Textbooks and supplementary readers are defined as the primary or secondary source or sources directly used in instruction.
- It is the school's responsibility to provide textbooks and/or supplementary readers without cost to the student.
 - Examples of supplementary readers are as follows:
 - Atlas if required for instruction and mastery
 - Anthology
 - Core novel
 - Dictionary
- Workbooks that are necessary to teach the curriculum and/or which students need to master the curriculum are considered as textbooks. (See Policy IIB, *Evaluation and Selection*, and Regulation IIB-RA, *Evaluation and Selection of Instructional Materials and Library Books*.)
 - The approval process requires five signatures, including the program supervisor, on MCPS Form 365-25, *Record of Evaluation of Instructional Materials*.
 - Schools requiring the use of an allowable workbook may not charge a fee for the workbook.
 - Students may choose to purchase suggested workbooks that are not used for classwork, homework, or practice tests in school. If a purchase option is available, teachers must emphasize that purchasing the workbook is an option, not an expectation or requirement. Examples include the following:
 - Advanced Placement (AP) test preparation workbooks in AP courses
 - SAT workbooks in SAT preparation courses

Audio/Visual Aids

- Audio/visual aids are defined as equipment used by a teacher to deliver the curriculum.
- It is the school's responsibility to provide audio/visual aids without cost to the student.
 - An example of an audio/visual aid is head phones.

Stationery

- Stationery is defined as paper and writing utensils not commonly found in the home and required for the student to demonstrate mastery of course objectives.
- It is the school's responsibility to provide stationery not commonly found in the home and required for the student to demonstrate mastery of course objectives without cost to the student.
 - Examples of stationery are as follows:
 - Highlighters
 - Post-it notes
 - Pencils, colored
- Students may be asked to bring paper and writing utensils commonly found in the home to school as personal supplies.

School Supplies

- School supplies are defined as building or office materials needed to operate schools.
- It is the school's responsibility to provide school supplies.
 - Examples of school supplies are as follows:

<ul style="list-style-type: none"> ➤ Dry erase markers ➤ Facial tissue ➤ Paper towels 	<ul style="list-style-type: none"> ➤ Pencil sharpener ➤ Three-hole punch ➤ Toilet paper
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Materials of Instruction

- Materials of instruction are defined as items needed by the educator to teach the course content and/or items needed by the student to demonstrate mastery of the course content.
- Students may not be charged for materials of instruction unless:
 - The materials are used to create a product eaten by the student.
 - The materials are used to create a product that becomes the property of the student. The materials become the personal property of the student for reasons of personal hygiene or industry requirements.
- Examples of materials of instruction for which a fee **may not be charged** are as follows:

<ul style="list-style-type: none"> ➤ Cooking utensils ➤ General art supplies, such as paints and stains, printer ink cartridges, paper, and sculpting clay 	<ul style="list-style-type: none"> ➤ Jump drive/memory stick ➤ Photography chemicals ➤ Science lab materials ➤ Sheet music ➤ Hammers, saws
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- Examples of materials of instruction for which a fee **may be charged** are as follows:

<ul style="list-style-type: none"> ➤ Art frames and canvas ➤ Balsa wood kit ➤ Cooking ingredients 	<ul style="list-style-type: none"> ➤ Textiles and textile kits ➤ Trades kit
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- Some items may be materials of instruction for in-class work but also provided by the parent/guardian for homework or individual use. These items are commonly found at home or available in many stores. For example, if students are using scissors or a simple compass or protractor for an in-class lesson, the items are materials of instruction and must be provided by the school for in-class use. If a student is using scissors or a simple compass or protractor to complete a homework assignment—those are personal supplies provided by the parent/guardian to support his/her child's learning.
- Specific materials of instruction for which fees were previously allowed have been examined according to the current definitions and changes to standard operating procedures may be required.

- **Effective as of the 2017–2018 school year:**

Schools are not be permitted to charge course-related fees to cover expenses for the following materials:

 - Sculpting clay
 - Paints and stains
 - Printer ink cartridges
 - Paper (brochure, construction, drawing, manila, newsprint, photo, water color, etc.)
- Graphing Calculators—Students should be encouraged to purchase their own graphing calculator for their academic career.
 - If a student cannot purchase a graphing calculator, one will be loaned to the student for the duration of the course.
 - Students may be required to make a 50 percent deposit fee on a graphing calculator for use during the course.
 - The deposit will be returned to the student at the end of the course as long as the calculator is returned in proper working condition.
 - As an alternative, schools may loan the calculator without charge, but assess an obligation (for the cost of the calculator only) if the calculator is lost or damaged.
- Music Groups' Clothing—Band uniforms and/or show choir robes/outfits will be loaned to students.
 - A fee for dry cleaning may be charged in advance.
 - Repair charges may be assessed after review of the condition of the item when it is returned.
 - It is important for schools to distinguish between clothing needed for instruction in a course, and clothing needed for an extracurricular activity such as marching band.
 - Whenever possible, schools should be encouraged to require informal concert attire that individual students have or can easily acquire, such as black pants or skirts and white shirts or blouses.
 - Schools will be provided money on a cycle for purchase of band uniforms.
- Musical Instruments—Schools should have a reasonable selection of musical instruments on hand for students to use free of charge.
 - If a student's preferred instrument is unavailable, a student has the option of renting the preferred instrument from a music store.
- Physical Education Locker Room Locks—Physical education locker room locks are provided by MCPS for security reasons.
 - Students will be assigned a lock for use during the school year. If a student does not return the lock at the end of the course, the student will incur a financial obligation.
- Physical Education Towel Fee—A towel fee may not be charged.
 - Schools are not required to provide towels.
 - A student may bring a personal towel if desired.

Individual Student Organizational Tools and Personal Supplies

- Parents/guardians remain the most important partner a classroom teacher has for preparing a student to learn. Parents/guardians equip students with important organizational tools for success in class.
- Students may be expected to bring individual organizational tools and personal supplies from home.
- Each school may decide the items recommended for students to bring from home.
 - Examples of individual organizational tools and personal supplies that may be supplied by the parents/guardians are as follows:

➤ Eraser tops of #2 pencils	➤ Pencils, #2
➤ Hole punch, for notebook	➤ Pens, ballpoint
➤ Jump drive/memory stick	➤ Personal binders/notebooks
➤ Notebook dividers	➤ Personal spiral/composition book
➤ Pencil pouch, zippered	➤ Pocket folders
- Some items may be provided by the parent/guardian for homework or individual use but also provided in class sets by the school for in-class work. These items are commonly found at home or available in many stores.
- Student Planners—If a planner is used in the school’s procedures as a hall pass, it must be provided without charge. Grades may not be given for student planner checks.

Waiver of Fees Form

- Students and parents/guardians are not required to provide documentation to justify a waiver.
- Teachers have a role and responsibility to advocate for a student through the waiver process.



FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 20/21	Fiscal Year: 20/21
School: Montgomery Blair HS - 757	Principal: Renay Johnson
OTLS Associate Superintendent: Diane Morris	OTLS Director: Sean McGee
<p><u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>4/1/19-3/31/21</u>, strategic improvements are required in the following business processes : General Ledger, purchasing procedures, cash management, field trips and fund raisers.</p>	

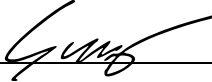
Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Principal and financial agents must develop a business plan and monitor and improve cash management to correct the negative balances and present an accurate IAF financial position. 1. Meeting to review General Ledger 2. Address negative balances 3. Appropriate transfers must be fully documented	Principal School Business Administrator(SBA) School Financial Specialist (SFS)	General Ledger Report	Account Records	SFS and SBA to review account records and meet with Principal monthly.	All accounts maintained and documented properly.
Purchase requests must be completed accurately and completely and purchases must be recorded to the appropriate accounts to insure the following: 1. Pre-approval of IAF purchases over \$100 2. Prior written approval from procurement when paying independent contractors or consultants with IAF funds. 3. Purchasing card activity complies with MCPS Purchasing Card Guidelines and Regulations	Principal SFS Requestor	1&2 - MCPS Finance Manual 3. MCPS Purch Card User Guide	Account Records 1. Form 280-54 2. Form 280-49 3. JP Morgan website, MasterCard monthly activity reports	Principal and SBA to review and approve monthly activity reports.	1. All purchases >\$100 pre-approved by Principal. 2. Contractor/consultant pay received prior approval. 3. Card activity complies with MCPS guidelines and regulations.

Funds collected by sponsors must be promptly remitted with to the school financial specialist. Funds remitted by sponsors must be promptly receipted and deposited in the bank by the school financial specialist	SFS Sponsors Teachers	An additional financial specialist to handle the volume of work	Deposit Reports Form 280-34 Encourage staff to use Security Bags and the Drop Box	Sponsors/teachers to submit all monies daily. SFS to count and verify deposits received with staff member.	Deposits are received daily and verified. Bank deposits made each day.
Financial specialist must receipt funds provided by outside sources to the outside source	SFS	MCPS Finance Manual	Account Records	SFS and SBA to review account records	All outside source funds receipted properly.
Financial specialist must follow prescribed MCPS processes when submitting and recording MCPS reimbursements.	SFS	MCPS Finance Manual	Form 280-48	SFS to follow correct process and use correct account numbers	All reimbursements will be processed correctly.
Fund-raising must conform to <i>Guidelines for Sponsoring an IAF Fund-Raiser</i> Revised fund raising work flow and processes to be fully implemented. Training provided to appropriate staff members. Completion reports required.	Sponsors SFS SBA	MCPS fund raising guidelines and crowd funding guidelines.	Fund Raiser Checklist Fund Raiser Request & promotional materials Fund raiser Completion Report and Sale of Merchandise Analysis.	Sponsor, SFS and SBA to review packages for accuracy and completeness.	All fund raisers to be documented properly, reviewed for accuracy and completeness. Final review for profitability and taxes.

Field trip sponsors must prepare comprehensive field trip records to account for all students eligible to participate and to reconcile funds collected with the account history report. Fully implement revised school based field trip process. Updated process includes use of MCPS tools and worksheets as well as email reminders to field trip sponsors.	SBA SFS Secretary Sponsor	MCPS Field Trip Guidelines and calculators.	Field Trip Process Checklist Accounting Spreadsheet Field Trip submission package reviewed by SFS. Post trip package review.	Status of all field trips reviewed by SBA and SFS in weekly meeting.	Field trips will have complete and accurate documentation. Trips will be closed out and fully funded.
Continue staff education regarding all IAF requirements and procedures. Meet with appropriate new staff members and staff having compliance issues. Refer to Principal when necessary.	Sponsors SFS SBA Principal	MCPS Finance Manual and Blair Procedures	Summer ILT, Preservice and department meetings. E-mail reminders Written Documentation	All Staff as necessary.	Complete understanding of IAF requirements. All accounts maintained and documented properly.
Purchase requests must be completed accurately and completely and purchases must be recorded to the appropriate accounts	SFS Requestor	MCPS Finance Manual	Form 280-54	SFS will review all purchase requests for accuracy and completeness.	All purchase requests will be complete and accurate.

Purchaser must confirm receipt of goods or services prior to disbursement	SFS Requestor	Packing Slips Observation	Account Records and Reports	Requestor and/or SFS must confirm receipt of ordered items prior to payment.	Receipt of items is confirmed prior to payment by SFS.
The principal must evaluate the necessity of the cellular lines paid by the IAF.	Principal	Account Record	Account Record	Account reviewed by Principal.	Review completed and decision made to remove nurse's cell phone.
The school must obtain prior written authorization from the associate superintendent of finance for any procurement exceeding \$7,500 individually or in aggregate, except for specific excluded items.	Principal SBA	Quotes or proposals	Form 281-55 Form 230-27	Submission reviewed by SBA and Principal prior to submission.	Prior written approval obtained to purchase from IAF account.
Tax must be collected on taxable sales and remitted to the Comptroller of Maryland	SFS SBA	MCPS Finance Manual	Account records Spreadsheet	SFS and SBA will collaborate on accounts that require sales tax. Spreadsheet used to keep track of taxes collected.	All sales tax will be collected and remitted to the State of Maryland.

Course fees must be approved and sponsors must turn in a complete class roster with annotation on student payment records to allow account reconciliation.	SBA Resource Teachers Teachers	Approved Course Fees	Class course roster and fee record Fee Waiver	Resource teacher and SBA to reconcile class data quarterly.	All classes collecting course fees accurately and waivers completed as necessary.
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OFFICE OF TEACHING, LEARNING, AND SCHOOLS (OTLS) REVIEW & APPROVAL	
<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Please revise and resubmit plan by _____	
Comments: Thank you for submitting a detailed plan. The school team, Mr. McGee and Mrs. Bergstresser have met and the team and Mrs. Bergstresser will continue to meet monthly to address the concerns listed above. Thank you for your prompt attention to this concerns.	
Director: _____ 	Date: <u>9/16/2021</u>