


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 13, 2025

MEMORANDUM

To: Mrs. Ivon Alfonso-Windsor, MCPS Chief Financial Officer

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

Subject: Report on Audit of Fiscal Year 2025 Cell Tower Revenue Distribution

In November 1997, the Board of Education adopted Policy ECN, *Telecommunications Transmission Facilities*, to establish criteria for evaluating applications to place private telecommunications transmission facilities at schools. A formula was then developed to share the lease revenue that would be collected by Montgomery County Public Schools (MCPS) in connection with telecommunication towers located at schools. This formula provided for one-third of the revenue to be distributed to the host school, one-third to be distributed to the other schools in the cluster, and the final third to be retained within the Real Estate Management Enterprise Fund. The Internal Audit Unit conducted an audit of the Fiscal Year (FY) 2025 revenue distribution to MCPS schools to determine compliance with the sharing formula and accounting for the funds.

On December 12, 2024, Mr. Adnan Mamoon, deputy chief, Department of Facilities Management, provided the attached memorandum to the MCPS Division of Controller (DOC) requesting distribution of the \$513,021.49 annual cell tower revenue to 41 schools according to a list of revenue sharing payments. Mr. Mamoon also provided an individual memorandum notification to each of the 41 school principals informing them of the share of cell tower revenue that they would be receiving. Six of the forty-one schools received two payments, one for their school and the other for them to distribute to their consortia schools.

The DOC recorded the revenue distribution in the MCPS Business Hub effective December 19, 2024, and processed the revenue for deposit via the Automated Clearing House (ACH) electronic network for financial transactions directly into each of the 41 schools' respective Independent Activity Fund (IAF) checking accounts. School financial agents, in turn, were to confirm with their respective bank that the ACH revenue had been credited to their checking account, and then record the revenue into their school's checking account, number 9920.0000, and cell tower commission account, number 0100.0000, within the School Funds Online (SFO) IAF accounting software. The six schools receiving two payments were to then write checks to their consortia schools for distribution of their share of the cell tower revenue using the funds of the second payment (refer to the attachment).

We noted the following transactions pertaining to the cell tower revenue distribution process:

- Business Hub recorded 47 (41 + 6 second payments to consortia schools) ACH payments on 12/19/24 totaling \$513,021.49.
- The first ACH revenue receipt was recorded in SFO on 12/19/24 with majority recorded on 12/20/24 or later.
- The last ACH revenue receipt was recorded in SFO on 1/20/25 due to two schools waiting for their visiting bookkeeper to enter transactions.
- Check payments were received by 51 schools.
- The first checks were written for distribution to consortia schools on 1/3/25.
- The first check revenue receipts were recorded in SFO on 1/14/25.
- The last checks were written for distribution to consortia schools on 1/27/25.
- The last check revenue receipt was recorded in SFO on 2/20/25, after Internal Audit reached out.
- Four out of the six schools slightly increased or decreased checks sent to consortia schools so all would receive the same amount for a net effect of (.28) cents.

December 20, 2024, was the latest date that a bank processed the ACH payment to credit a school's checking account with the cell tower revenue. Of the 41 ACH payments, 17 of them, or 41 percent, were recorded in SFO in December, and 24, or 59 percent, were not recorded until January 2025. It appears that the financial agents at the 24 schools who recorded their ACH receipt in January waited until receiving their December bank statement before recording the revenue in SFO. This practice does not provide the principal with the most current information for decision making, especially considering that cell tower commission revenue is non-student-generated, allowing these funds to be used for activities such as staff development or other school needs.

MCPS currently has 210 schools and only 92, or 43.8 percent, receive any cell tower commissions. A total of 41 schools receive an ACH and 51 schools receive a check from their consortia school. Many schools lack funding sources to support school and student needs and would benefit from receiving additional revenues such as cell tower commissions. We are recommending that the sharing formula developed in 1997 be reevaluated to possibly include additional schools.

As of March 3, 2025, the total amount of \$513,021.49 for the FY 2025 cell tower revenue distribution has been reconciled with the Business Hub and SFO accounting records. No response to this audit report is required.

MJB:rg

Attachment

Copy to:

Members of the Board of Education


Dr. Taylor
Ms. McGuire
Mrs. Williams
Mr. Reilly
Mr. Mamoon
Mrs. Chen
Mrs. Gomez
Mr. Kelley
Mr. Klausing
Mr. Liu
Mrs. Ripoli
Ms. Webb

Office of The Facilities Management
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

December 12, 2024

MEMORANDUM

To: Susan B. Chen, Controller
Division of Controller

From: Adnan Mamoon, Deputy Chief 

Subject: Fiscal Year 2025 Telecommunications Monopole Revenue-sharing Distribution Request

This memo is to request the Division of Controller distribute the annual cell tower revenue share amounts to affiliate schools. The Board of Education adopted Policy ECN, *Telecommunications Transmission Facilities*, in November 1997, to establish criteria for evaluating applications to place private telecommunications transmission facilities at schools. At that time, the Board of Education directed the superintendent of schools to develop an equitable method to share the lease revenue collected by Montgomery County Public Schools regarding the telecommunication monopoles located at schools. Subsequently, the superintendent of schools approved a sharing formula that provided for one-third of the revenue be distributed to the host school, one-third of the revenue be distributed to the other schools in the cluster, and the final one-third of the revenue be retained in the Real Estate Management Enterprise Fund.

In 2004, the superintendent of schools agreed to a formula modification to address the distribution among consortia schools. An excerpt of the approved recommendation appears below:

The work group recommended that the principal of the school with a cellular monopole on its site be given the responsibility to distribute one-third of the rent to support schools whose students primarily attend the school with the monopole. If, at the discretion of the principal, funds are available for grants to other schools within the consortia, these funds could be allocated to those schools as well.

In compliance with Policy ECN, *Telecommunications Transmission Facilities*, and the superintendent of school's direction, I am attaching a list of payment requests to schools, totaling \$513,021.49, that can be credited to each school's Independent Activity Fund account. The list includes the consortia supplier's number twice, reflecting the intent that one payment is to be retained by the host school and the other payment is to be distributed by the host school's principal to the schools they serve. Please relay the amounts to the consortia schools as separate remittances. The payments are to be charged against account number 12.85001.00000.000.10.504048. Thank you for processing this request.

ALK: Charles Liu

Attachment

Location Code	MCPS Business HUB Supplier#		School	Partial Shares	FY2025 Award
			Consortium Schools:		
321	204720		Blake HS		\$ 14,337.44
321	204720		Northeast Consortium		\$ 14,337.44
			Totals		
789	219464		Einstein HS		\$ 29,822.70
789	219464		DownCounty Consortium		\$ 29,822.70
			Totals		
815	210300		Kennedy HS		\$ 14,588.98
815	210300		DownCounty Consortium		\$ 14,588.98
			Totals		
796	212394		Northwood HS		\$ 35,370.93
796	212394		DownCounty Consortium		\$ 35,370.93
			Totals		
798	203385		Springbrook HS		\$ 23,656.06
798	203385		Northeast Consortium		\$ 23,656.06
			Totals		
782	218708		Wheaton HS		\$ 22,117.71
782	218708		DownCounty Consortium		\$ 22,117.71
			Totals		
			Cluster Schools:		
111	207355		Daly ES	\$ 817.28	\$ 13,341.84
249	205206	1	Clarksburg HS	2	1,778.92
345	292357	2	Hallie Wells MS *	1	889.46
707	217144	4	Rocky Hill MS	2	1,778.92
703	209339	5	Cedar Grove ES *	1	889.46
101	221068	6	Clarksburg ES *	1	889.46
106	208410	7	Fox Chapel ES	2	1,778.92
337	263677	8	Gibbs ES *	1	889.46
336	207219	9	Little Bennett ES	2	1,778.92
347	306889	10	Snowden Farm ES *	1	889.46
341	283374	11	Wilson Wims ES	2	1,778.92
			Totals	15	
510	215850		Magruder High School	\$ 761.67	\$ 13,237.22
562	212478	1	Redland MS	2	1,654.66
521	214378	2	Shady Grove MS	2	1,654.66
508	220317	3	Candlewood ES	2	1,654.66
511	209471	4	Cashell ES	2	1,654.66
549	203340	5	Flower Hill ES	2	1,654.66
556	211001	6	Mill Creek Towne ES	2	1,654.66
514	218310	7	Resnik ES	2	1,654.66
565	211780	8	Sequoyah ES	2	1,654.66
			Totals	16	
503	208979		Sherwood HS	\$ 3,052.75	\$ 53,563.00
507	204991	1	Farquhar MS	2	7,651.86
155	208970	2	Rosa M. Parks MS	2	7,651.86
513	214876	3	Belmont ES	2	7,651.86
518	201449	4	Brooke Grove ES	2	7,651.86
512	203001	5	Greenwood ES	2	7,651.86
502	218192	6	Olney ES	2	7,651.86
501	217173	7	Sherwood ES	2	7,651.86
			Totals	14	
545	213431		Watkins Mill HS	3,020.56	\$ 36,474.80
557	208166	1	Montgomery Village MS	2	6,631.78
115	216488	2	Neelsville MS *	1	3,315.89
564	203090	3	South Lake ES	2	6,631.78
568	200661	4	Stedwick ES	2	6,631.78
561	216116	5	Watkins Mill ES	2	6,631.78
558	213361	6	Whetstone ES	2	6,631.78
			Totals	11	
			FY2025 Shared Revenue Total		\$ 513,021.49