


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

June 18, 2025

MEMORANDUM

To: Ms. Marquette R. Singleton, Principal
Brown Station Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
November 1, 2022, through April 30, 2025

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 fundraisers. 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 9, 2025, meeting with you, and Mrs. Monica P. Robles, school administrative secretary (secretary), we reviewed the prior audit report dated January 6, 2023, and the status of the present conditions. It should be noted that your appointment as principal was effective July 1, 2023. It should also be noted that as a new principal we met on September 8, 2023, to discuss the prior audit findings. 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

Cash and checks collected by sponsors and others for IAF activities must be remitted promptly to the secretary. These receipts must be deposited promptly, and all receipts must be deposited on the last working day of each month and before each weekend or holiday (refer to the *MCPS Financial Manual*, chapter 7, pages 4-5). In the school's action plan, they indicated that sponsors would remit funds daily and collected funds would be deposited to the bank promptly. We found

that funds had been held by the secretary over the allowable *Cash Holding Authority* (CHA). In addition, we noted that MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*, was not always completed in its entirety by the sponsor, and at times was missing the date to clearly indicate when funds were collected. We recommend that all sponsors complete the remittance slip in full, and to minimize the risk of loss, all funds collected must be remitted daily and deposited to the bank promptly.

Sponsors of field trips must have a complete class or club roster of student names to annotate the amount each student paid, the date paid, eligible 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 secretary 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 10). School Cash Online (SCO) item attachment report may replace the field trip accounting sheet as long as all eligible students have data entered such as paid, waived, scholarship or did not attend. This report must be reviewed and initialed by the sponsor. In the school's action plan, they indicated that they would train the staff on SCO and proper documentation needed. We found that not all sponsors were providing completed data at the conclusion of each trip and that data was not being reconciled to the final account history report. We recommend field trip sponsors use MCPS Form 280-41, *Field Trip Accounting*, or its equivalent, and provide complete data at the conclusion of each trip. This data must be reconciled by the secretary with remittances recorded in activity accounts.

MCPS Regulation DMB-RA, *Control of Admission Receipts*, sets forth procedures for the control of admission receipts for school events. The accounting for these events must be controlled with serially numbered tickets, separation of duties, use of the required MCPS Form 280-50, *Tickets and Cash Report of Admissions Manager*, for tracking and reconciling sales, and perpetual inventory of tickets (refer to the *MCPS Financial Manual*, chapter 20, page 13). In the school's action plan, they indicated that they would put in place controls to ensure proper procedures were followed and inventory was accounted for. We noted an admission event in which tickets were sold but MCPS Form 280-50 was not properly completed by the sponsor to reconcile tickets issued with tickets returned and sales receipts. The ticket controller's signature is missing from the forms, and tickets are not maintained in the custody of the ticket controller or tracked by a perpetual inventory. We also found that ticket sales activity was not recorded in the proper account 7500 series. We recommend that procedures for the sale of tickets be reviewed with appropriate staff prior to events for compliance with the above-cited MCPS requirements.

Notice of Findings and Recommendations

- Cash and checks (funds) remitted by sponsors must be promptly receipted and deposited in the bank by the secretary (**repeat**).
- MCPS Form 280-34 must be completed in its entirety and include date funds were collected.

- Field trip records prepared by sponsors must provide comprehensive data to account for all eligible to participate, including volunteers and chaperones, and secretary must complete a reconciliation upon completion of trip **(repeat)**.
- Admission events must be conducted in accordance with MCPS Regulation DMB-RA and a perpetual inventory must be on hand **(repeat)**.

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 Ms. Nicole A. Sosik, director of school support and improvement, Office of School Support and Improvement, for written approval of your plan. Based on the audit recommendations, Ms. Sosik will indicate whether she will conduct an electronic review of your action plan or schedule a time to meet in person with you and your secretary to support you with developing a well-defined plan to address the findings.

MJB:BK:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Taylor

Mrs. Alfonso-Windsor

Ms. McGuire

Dr. Moran

Ms. Seabrook

Dr. Redmond Jones

Mr. Reilly

Mrs. Chen

Mrs. Gomez

Mr. Klausling

Mrs. Ripoli

Ms. Sosik

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: Audit Date May 5-7, 25	Fiscal Year: Audit Date May 5-7, 25
School: Brown Station ES - 559	Principal: Marquetta Singleton
OSSWB Associate Superintendent: Dr. Donna Redmond Jones	OSSWB Director: Nicole Sosik
<u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>11/2022-4/2025</u> , strategic improvements are required in the following business processes : To ensure financial practices and procedures are in place and are aligned with MCPS policies and procedures. (Cash Handling, Field Trips, Fundraiser)	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
The Admin Sec. (Monica Robles) will provide staff the money and dropbox handling procedures. Do daily cash and check deposits basis on the need at 2pm.	Admin. Sec. - Monica Robles	Money Procedures Instructions, Receipts	Create Calendar Alert for Admin. Sec. and Admin. Create a Financial Weekly Spreadsheet	Admin. Sec. - Monica Robles and Princ- Marquetta Singleton Wkly Report	
The Admin Sec. will provide Field Trip Sponsors with instructions for all parents on how to set up their own SCO accounts to process payment on-line. The school will no longer accept cash, partial payments or checks.	AdminSec.- Monica Robles/ Sponsors -Team Lead	SCO Instructions Link- https://docs.google.com/document/d/1IsfKx	Create a spreadsheet that explains and shows I Do, You Do, We Do, and They Do	Admin. Sec. - Monica Robles and Princ- Marquetta Singleton - Necessary Mthly Report	
The Sponsors will complete in its entirety and include date funds were collected on IAF form 280-34. Field trip records prepared by sponsors must provide comprehensive data to account for all eligible participate, including volunteers and chaperones. The Admin Sec. will complete the reconciliation upon completion of trip.	Admin.Sec. - Monica Robles/ Sponsors - Team Leads	Form 280-34 Link https://ww2.montgomeryschoolsmd.org/departments/for	Create and include in Field Trip Packet an End of Field Trip Checklist	Admin. Sec. - Monica Robles and Princ- Marquetta Singleton - Necessary Mthly Report	
The Admin. Sec. (Monica Robles) will provide form 280-50 completed electronically to Sponsor prior to any admission to events. The Sponsor will complete their part electronically and return to Admin. Sec. Perpetual Inventory must be conducted and in hand in accordance with MCPS Regulation DMB-RA.	Admin. Sec. - Monica Robles/ Sponsors	Form 280-50 Link https://ww2.montgomeryschoolsmd.org/departments/for	Include with Event Request Form prior to Event Approval	Admin. Sec. - Monica Robles and Princ- Marquetta Singleton - Necessary Month of Event	

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OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

☒ **Approved**

☐ Please revise and resubmit plan by _____

Comments: _____

Director: Nicole A. Sosik Date: 7/15/25