


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

April 24, 2025

MEMORANDUM

To: Mrs. Arienne M. Clark-Harrison, Principal
Chevy Chase Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2023, through February 28, 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 April 10, 2025, virtual meeting with you; Mrs. Vickie L. Krehbiel, the school administrative secretary; and Mrs. Debra L. Taylor-Miller, visiting bookkeeper, we reviewed the prior audit report dated February 23, 2023, and the status of the present conditions. It should be noted that your appointment as principal was effective July 1, 2024. 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

To properly control receipts, cash and checks collected by sponsors for IAF activities must be remitted promptly and intact to the administrative secretary along with MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*. Cash must be counted in the presence of the remitter, and a receipt that is supported by the remittance slip must be issued promptly. 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 our sample of receipts, we found instances in which funds were held by sponsors rather than being remitted daily to the administrative secretary. We also noted that the date on the remittance form had been altered by the administrative secretary to show the date funds were receipted. In addition, we found that the administrative secretary was not always making timely deposits and was holding money in excess of permitted amounts. Infrequent deposits increase the possibility of a loss of funds, diminish the school's ability to fund activities, and are contrary to the MCPS Financial Manual. To minimize the risk of loss and provide assurance that available funds will be fully utilized to meet school needs, all funds collected must be remitted to the administrative secretary daily (refer to the *MCPS Financial Manual*, chapter 7, page 4). In addition, all remittances on hand must be deposited before each weekend, end of month or holiday.

Notice of Findings and Recommendations

- Cash and checks (funds) collected by sponsors must be promptly remitted intact with MCPS Form 280-34 to the school administrative secretary.
- Cash and checks (funds) remitted by sponsors must be promptly receipted and deposited in the bank by the school administrative secretary.

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 Dr. Michael J. Zarchin, director of school support and improvement, Office of School Support and Improvement, for written approval of your plan. Based on the audit recommendations, Dr. Zarchin 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 administrative secretary to support you with developing a well-defined plan to address the findings.

MJB:YSG:rg

Attachment

Copy to:

Members of the Board of Education
Dr. Taylor
Mrs. Alfonso-Windsor
Ms. McGuire
Dr. Moran
Ms. Seabrook
Dr. Campbell

Mr. Reilly
Mrs. Chen
Mrs. Gomez
Mr. Klausing
Mrs. Ripoli
Dr. Zarchin
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 4/24/25	Fiscal Year: FY25 and FY26
School or Office Name: Chevy Chase Elementary School	Principal: Arienne Clark-Harrison
OSSI Associate Superintendent: Dr. Tamitha Campbell	OSSI Director: Dr. Michael Zarchin
<p><u>Strategic Improvement Focus:</u></p> <p>As noted in the financial audit for the period <u>1/1/23-2/28/25</u>, strategic improvements are required in the following business processes :</p> <p>Funds collected by sponsors must be remitted with MCPS Form 280-34 daily to the school admin secretary. Admin secretary must receipt funds and deposit in bank daily.</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
The school administrative secretary will train sponsors to fill out MCPS Form 280-34 daily and require them to submit the form with cash and checks to her daily. The school administrative secretary has established daily times for sponsors to bring MCPS Form 280-34 with cash and checks to the office.	Sponsors Admin Sec. Principal	MCPS Financial Manual	280-34 Schedule for remittance	Admin Sec Principal Daily	Completed - Sponsors have been retrained Daily times for remittance have been established.
The administrative secretary will count the cash with the sponsor present and create a receipt in SFO at that time. The administrative secretary will make daily deposits on days when funds are collected.	Sponsors Admin Sec.	MCPS Financial Manual	SFO Receipts Bank Deposit Slips Dates aligned correctly	Admin Sec Principal Daily	Principal will provide release time for admin sec to make bank deposits Ongoing monitoring
For FY26, the administrative secretary will create the yearly field trip process document for collecting funds for field trips using MCPS Form 280-34 and bringing funds to the administrative secretary daily.	Admin Sec Team Leaders Principal Sponsors	MCPS Financial Manual	Field Trip Process Document	Admin Sec Principal During Field Trip Planning	In process
The administrative secretary will meet with the entire staff during pre-service to review the process for collecting and remitting funds for field trips/activities using MCPS Form 280-34.	Admin Sec. Principal	MCPS Financial Manual	Presentation Slides Reminders in memo/staff bulletin	Admin Sec. Principal/Staff Pre-Service/Staff Meetings	In process

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OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

☐ Approved

☐ Please revise and resubmit plan by _____

Comments:

Director:



Date:

5-13-25