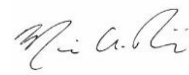


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

July 14, 2025

MEMORANDUM

To: Mrs. Yvonne Sanya, Principal
College Gardens Elementary School

From: Melvin A. Phillips, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period
February 1, 2023, through March 31, 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 26, 2025, meeting with you and Mrs. Armineh N. Sardarbegians, school administrative secretary (secretary), we reviewed the prior audit report dated April 12, 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

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). The purpose of each disbursement must be fully explained on this form in order to record expenditures in appropriate accounts properly and to ensure that expenditures comply with IAF requirements. The purchaser must sign invoices for goods or services to indicate satisfactory receipt. The secretary will then mark the documentation as “paid” prior to disbursing the funds. Disbursements made by Automated Clearing House (ACH) drawn on the school’s IAF

bank account, regardless of the documentation that approved the procurement of goods and services, are required to be approved by the principal using MCPS Form 280-54, with a summary spreadsheet detailing the IAF account(s) to be charged, before expenditure of funds (refer to the *MCPS Financial Manual*, chapter 20, page 6). In the school's previous action plan, it was indicated that payments would not be made if purchases were not pre-approved, all invoices would be marked as received, and documentation would be stamped "paid". In our sample of disbursements, we found instances where purchases were not pre-approved, MCPS documentation supporting purchases was not stamped or marked "paid", invoices and online purchase confirmations were not always signed by the recipient to indicate that goods or services were received and that payment could be processed. We recommend that MCPS Form 280-54, be prepared by staff with an estimated expenditure and signed by the principal at the time verbal approval is sought. We also recommend that support documents be marked as "paid", the purchase be verified as complete by the recipient, and that the invoice/packing slip be marked as "received" and signed/dated by the recipient upon receipt of the goods at the school. Requiring invoices to be marked "received" ensures that goods or services have been satisfactorily received prior to payment.

Use of the MCPS purchasing card must be in accordance with the requirements of the *MCPS 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, with all purchase receipts and invoices attached. The principal must review each cardholder's transactions and approve them by the 10th of the following month, using the online reconciliation program. We found that cardholders are not always reviewing their transactions, adding descriptions, indicating student or staff or including IAF account numbers when applicable on the vendor website. The cardholders were not always preparing their monthly statement of account landscape and attaching their purchase receipts for the principal to review. We noted that purchases were not always appropriate for the card type. We also noted that the principal had approved transactions in the online system without receiving the monthly statement of account landscape report with purchase receipts and invoices attached. We recommend that all cardholders adhere to the purchase requirements for their card type, review transactions on the vendor website, and add descriptions and IAF numbers when applicable by the 5th business day of the month. The cardholder will provide the approver with the monthly statement of account landscape report with corresponding receipts/invoices marked received. We recommend that the approver not approve transactions on the vendor website without first reviewing the statement of account landscape with corresponding receipts attached. Once that is completed, the approver will review and then approve transactions on the vendor website.

Cash and checks (funds) 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 previous action plan, the school indicated that the secretary would go to the bank daily. We found that staff collecting funds were, at times, holding rather than remitting them to the secretary on the day collected. We also noted the 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 secretary daily and entered into the accounting software. In addition, all remittances on hand must be deposited promptly, and always before each weekend, end of the month, or holiday.

Field trips must be conducted in accordance with MCPS Regulation IPD-RA, *Travel-Study Programs, Field Trips, and Other Student Organization Trips*. Trip approval forms, signed by the principal, must contain all expense information, any subsidy information, and the field trip cost to be charged per student. The administrative secretary must establish a separate account in the IAF for each trip. 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, along with a list of all chaperones and volunteers, must be provided to the secretary upon completion of each trip and compared to the remittances recorded in the trip account history report (refer to the MCPS Financial Manual, Chapter 20, page 10). A 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 sponsors. 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 that all required documentation be kept on file for audit, and that field trip sponsors use MCPS Form 280-41, *Field Trip Accounting*, or its equivalent to provide complete data at the conclusion of each trip. This data must be reconciled by the secretary with remittances recorded in activity accounts.

Notice of Findings and Recommendations

- Requests for purchases were not preapproved, and adequate support was not always provided (**repeat**).
- Supporting documents were not marked received (**repeat**).
- Purchase card activity must comply with the MCPS *Purchasing Card User's Guide*.
- Cash and check (funds) collected by sponsors must be remitted daily and deposited in the bank in a timely manner by the secretary (**repeat**).
- Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and the administrative secretary must reconcile funds collected with the account history report.

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. Alana D. Murray, director, Division of School Leadership and Improvement, for written approval of your plan. Based on the audit recommendations, Dr. Murray 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 school administrative secretary to support you with developing a well-defined plan to address the findings.

MAP:LMB:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Taylor

Mrs. Alfonso-Windsor

Ms. McGuire

Dr. Moran

Ms. Seabrook

Dr. Campbell

Mr. Francois

Mrs. Chen

Dr. Murray

Mrs. Ripoli

Mr. Santos Rodriguez

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: August 29, 2025

Fiscal Year: 2026

School or Office Name: College Gardens Elementary School

Principal: Ms. Yvonne Sanya

OSSI Associate Superintendent: Dr. Tamitha Campbell

OSSI Director: Dr. Alana Murray

Strategic Improvement Focus:

As noted in the financial audit for the period February 1, 2023, through March 31, 2025, strategic improvements are required in the following business processes:

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools/ Data Points	Monitoring: Who & When	Results/Evidence
Mrs. Sardarbegians will meet weekly with the Principal to review finance items	Principal	N/A	Data from weekly meetings	Ms. Sanya	
Mrs. Sardarbegians will promptly receipt and deposit monies to the bank. She will make deposits in a timely manner.	Administrative Secretary, Principal	Monetary Safe	Time stamps from bank deposit slips	Ms. Sanya	
Mrs. Sardarbegians and Ms. Sanya will train staff on Financial Procedures (Purchase requests pre-approval, field trip guidelines, funds daily remittance process, etc.)	Administrative Secretary, Principal	Training	Staff Financial Information signature	Mrs. Sardarbegians Ms. Sanya	
Mrs. Sardarbegians and Ms. Sanya will attend a refresher of School Financial Training.	Administrative Secretary, Principal	N/A	PDO completion	Mrs. Sardarbegians Ms. Sanya Fall 2025	
Mrs. Sardarbegians will mark invoices as paid.	Administrative Secretary	Paid Stamp Received Stamp	Calendar Reminders	Mrs. Sardarbegians Ms. Sanya	

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

Approved **X**

Please revise and resubmit plan by _____

Comments: _____

Director: Alana D. Murray, PhD

Date: September 5, 2025