

Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

November 17, 2025

MEMORANDUM

To: Mrs. Shanay A. Snead, Principal  
North Bethesda Middle School

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

Subject: New Principal IAF Audit Review Conference



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. Principals are responsible for ensuring that the IAFs are administered in accordance with:

- Board Policy
- MCPS Regulation DIA-RA
- MCPS Financial Manual
- MCPS Business Center Memoranda and Tools

The IAU's mission is to strengthen accountability and stewardship of financial resources across Montgomery County Public Schools. We work closely with school leaders to ensure that the Independent Activity Fund (IAF) is managed in accordance with MCPS policies and procedures, while also supporting you in your responsibilities as the fiscal steward of your school.

Our goal is not only to ensure compliance but also to equip you with tools and practices that will make financial management smoother and more transparent for your school community. We view this as a partnership, and we are here to support you.

At our **November 7, 2025**, meeting, we reviewed the roles and responsibilities of Internal Audit, the Principal, and the Administrative Secretary regarding the management and oversight of the IAF, the IAF fund account balances for North Bethesda Middle School. We discussed fund types and fund management, and the prior audit report dated **February 6, 2025**, for the audit period of **April 1, 2023, through December 31, 2024**. In addition, we discussed:

- The Internal Audit Unit and our role within MCPS.

- Reviewed the purpose, structure, and requirements of the Independent Activity Fund (IAF).
- Outlined the principal's fiduciary responsibilities for oversight of IAF transactions.
- Walked through key policies on receipts, deposits, disbursements, and procurement.
- Discussed required documentation and recordkeeping standards.
- Reviewed the monthly principal checklist for IAF monitoring.
- Highlighted common audit findings and how to prevent them.

As part of our regular audit cycle, the Internal Audit Unit (IAU) will conduct an audit of your school's Independent Activity Fund (IAF) in fiscal year **2026** for the period beginning **January 1, 2025**. The purpose of the audit is to provide assurance that IAF funds are managed responsibly, that transactions comply with [MCPS Regulation DIA-RA](#), [MCPS Financial Manual](#), and [MCPS Business Center Memoranda and Tools](#), and that resources are used to benefit students.

MAP:LMB:rg