

Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

February 18, 2026

MEMORANDUM

To: Dr. Shawaan T. Robinson, Principal  
Paint Branch High School

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

Subject: Report on Audit of Independent Activity Funds for the Period  
May 1, 2024, through October 31, 2025

**Background**

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

Paint Branch High School is located in Burtonsville, Maryland. It is part of the Northeast Consortium (NEC) and has a whole-school signature program focusing on Science and Media. This program integrates research, experimentation, and hands-on learning throughout the curriculum. This high school also offers various academies, including the Academy of Finance, Academy of Engineering, Health Professions/Medical Careers, Restaurant Management and Culinary Arts, and Naval Junior Reserve Officer Training Corps (NJROTC). The school's curriculum includes AP, Honors, and Special Education courses. The school has an active fine arts program, including music and drama departments. The school also offers numerous clubs, organizations, and strong athletic programs. The school has an athletic Booster that donated \$20,000 to the school for Fiscal Year (FY) 2025. During the audit period the school was awarded a Project Lead The Way (PLTW) grant for \$10,000 and a Chesapeake Bay Trust grant for \$3,020. At the time of this audit, Paint Branch HS reported total IAF assets of \$242,035. Of this balance, \$114,428 is in the Centralized Investment Fund (CIF), which pays a 3.28 percent annual interest rate. The school received annual commissions from the Interagency Coordinating Board (ICB) and student pictures. For the fiscal year ending June 30, 2025, the school reported total receipts of \$458,164 and total disbursements of \$428,733, resulting in a surplus of \$29,431.

## **Audit Objective**

The Internal Audit Unit (IAU) uses generally accepted auditing principles to provide an audit opinion on the school's financial activity by evaluating the adequacy of internal controls and compliance with Board of Education (Board) policies and MCPS procedures. Specifically, the audit seeks to obtain reasonable assurance that:

- Evidence of fraud was not identified within the IAF.
- Funds are safeguarded against loss, misappropriation, or misuse.
- Transactions are accurately recorded and fairly reported in the school's financial records.
- Receipts and disbursements are appropriate, properly documented, and consistent with the intended purpose of the funds.
- Instances of misappropriation, misreporting, or waste, if they exist, are identified and evaluated for materiality.

The IAU is free from organizational impairments to independence. The IAU administratively reports directly to the chief of staff of the Office of the Board of Education and functionally reports to the Montgomery County Board of Education's Fiscal Management Committee.

## **Methodology**

The audit is not designed to examine every transaction but instead relies on risk-based sampling and other generally accepted audit procedures to provide reasonable assurance. Audit procedures include interviews with key staff, a review of prior audit findings and the status of related action plans, testing of transaction samples, and an on-site assessment of internal controls and procedures.

## **Audit Opinion:**

Unsatisfactory – High Risk

Based on the results of our audit, we identified significant deficiencies in internal controls and financial management practices that create a high risk of fraud, material misappropriation, misreporting, or waste within the school's Independent Activity Fund (IAF). The issues observed were pervasive and indicate that the school is not in compliance with MCPS regulations and procedures.

In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, use the attached action plan template to provide a written response, approved by the school's director of school leadership and improvement to the IAU within 30 calendar days of this report.

## **Repeat Findings from Prior Audit:**

Prior audit report dated June 25, 2024, was conducted for the audit period March 1, 2023, through April 30, 2024, and noted:

**Finding 1 [Moderate-Risk]:** Delinquent Payables Owed to MCPS.

An audit of the school's Independent Activity Funds (IAF) as of December 3, 2025, identified a condition where \$71,065 in invoices owed to MCPS were past due. This condition violates standard financial management criteria requiring obligations to be settled in a timely manner as funds are available. The principal is responsible for monitoring the school's use of resources, including the timely payment of employees, vendors, and MCPS central administration. A best practice is to ask the financial agent regarding outstanding invoices and other payments and to regularly review the amounts outstanding such as balance due to MCPS at least monthly (refer to the *MCPS Financial Manual*, chapter 1, page 5).

We recommend that you meet regularly with the school business administrator and financial agent to review the outstanding MCPS invoices and to pay the current outstanding invoices as soon as possible.

**Finding 2 [High-Risk]:** The principal did not approve purchase requests prior to the procurement of goods or services.

Schools must follow the *MCPS Financial Manual*, Chapter 20, *Independent Activity Funds*, to manage the procurement of goods and services using IAF. In our sample of disbursements, we found that in one instance, MCPS Form 280-54, *Independent Activity Funds Request for a Purchase*, was entirely absent from the office copy of the check documentation. Multiple MCPS Form 280-54's related to athletic expenditures were not signed and dated by the principal. In four separate instances, the principal's signature date on MCPS Form 280-54 occurred after the date of the corresponding invoice or receipt. Additionally, the financial agent was not always completing MCPS Form 280-54 for MCPS iPayments and when she was completing a MCPS Form 280-54 the form was not always attached to the MCPS invoices.

We recommend that staff obtain the principal's approval using MCPS Form 280-54, before purchasing goods or services. If the sponsor is seeking immediate approval, the sponsor should have the MCPS Form 280-54 prepared, allowing for a signature to be captured at that time. We also recommend that the financial agent completes a MCPS Form 280-54 when paying a MCPS invoice and to attach the approved MCPS Form 280-54 to the disbursement documentation.

**Finding 3 [High-Risk]:** Funds were held by sponsors rather than being remitted daily to the financial agent and the financial agent was also holding funds over the cash holding authority.

To properly control receipts, cash, and checks, collected by sponsors for IAF activities must be remitted promptly and intact to the financial agent 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). 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 daily to the financial agent and deposited timely.

We noted that funds were being held by sponsors and by the School Financial Specialist (SFS). Funds were held over week end and month end by the SFS. Safe might not have been regularly checked when it was still in use. Per Athletic Director in the interview, she stated that she asks coaches to hold on to the money they collect, and turn all the funds in together. When funds are put into the safe, evidence of dual counts are not always present.

We recommend that all sponsors remit funds collected for IAF activities to the financial agent daily and that the financial agent deposit all funds remitted by the sponsors promptly in the bank.

### **New Findings and Recommendations:**

**Finding 1 [High-Risk]:** Non-Compliance with IAF Cash Handling and Disbursement Procedures by Cheerleading Sponsor.

All principals are responsible for establishing general operational procedures with school staff at the start of each school year (refer to the *MCPS Financial Manual*, chapter 1, pages 4-8). The cheerleading sponsor did not adhere to established procedures for handling activity funds, which included failing to deposit funds into the IAF account timely, improper disbursement practices, and reconcile the account appropriately.

We recommend that the principal, school business administrator, financial agent and athletic director establish a structured communication and oversight framework with all program coaches to ensure that the fee activities, collections, and expenditures are transparent, authorized and properly documented in accordance with the *MCPS Financial Manual*. The athletic director should require that every coach submit a written summary of planned fundraising or fee collections, including projected amounts, intended uses, and supporting documentation, before any funds are solicited from students or families. This documentation should be reviewed and approved by the principal or designee to verify compliance with Board of Education policies and MCPS Regulations and to confirm that all funds will be deposited into the appropriate IAF account.

**Finding 2 [High-Risk]:** Lack of Formal Review and Approval for Athletic Department and Booster Fundraising Activities.

All fund-raising activities shall be in accordance with Board Policy CND, *School-Related Fund-Raising*. The principal must authorize in advance and in accordance with Board Policy CND all fundraising activities. Booster clubs must follow school and school system guidelines and procedures with respect to fundraisers, including gaining approval from the principal or designee for all fund-raisers and following approved school system accounting procedures. Such activities should be planned/scheduled collaboratively with the school administration to minimize conflicts with the instructional program or previously planned school-sponsored fund-raising activities (refer to the *MCPS Financial Manual*, chapter 20, page 22). We found that the athletic booster conducted multiple fundraising activities which were known to the athletic director, but lacked formal review and approval from the principal. The athletic department solicited tiered sponsorship

packages (\$1,000, \$500, and \$250) from businesses without obtaining the required prior approval from the principal on a Fund Raiser request form.

The athletic director must ensure that a Fund Raiser Request Form is completed and submitted for every single fundraising activity, including booster club initiatives, and athletic department fund raisers. This form must be reviewed, approved, and signed by the principal prior to the commencement of any fundraising activities, solicitation of funds, or commitment of resources to ensure proper oversight, compliance, and fiscal accountability across all athletic programs.

**Finding 3 [Moderate-Risk]:** Funds should not be transferred from an IAF account without the sponsor's/principal's approval.

Transfers of funds between general ledger accounts may be made only after MCPS Form 281-46, *Independent Activity Funds – Transfer*, has been executed by both the account sponsor and the principal. Transfers must be fully documented and adhere to MCPS guidelines for allowable uses of funds. We found that transfers between IAF accounts were frequently executed in School Funds Online (SFO) without the preparation of a MCPS Form 281-46. When a MCPS Form 281-46 was prepared, the principal's required signature of approval was consistently obtained after the transaction date. The transfer request forms were not consistently signed by the sponsors involved in the transaction, indicating a lack of their acknowledgment and approval of the fund movement.

To improve internal controls, the financial agent shall execute a transfer of funds between accounts using MCPS Form 281-46, signed by the account sponsor and principal. Transfers may be entered at any time during a fiscal year but all accounts should be reviewed at the end of each fiscal year (June 30) and transfers made to close accounts not needed for the next fiscal year. (refer to the *MCPS Financial Manual*, chapter 20, page 12).

**Finding 4 [High-Risk]:** Failure to Obtain Required Prior Approval on MCPS Form 280-60 for School Grants.

MCPS Form 280-60, *Authorization for School Grant Application*, along with the grant application and detailed budget, must be submitted to the Budget Unit at least two weeks prior to the grant application due date (refer to the *MCPS Financial Manual*, chapter 11, page 3). We found that the school accepted grant funds from the Chesapeake Bay Trust and PLTW without obtaining the required prior approval via MCPS Form 280-60. The forms were submitted and approved by the Budget Unit well after the grants had already been awarded and funds received, violating the established district procedure for grants.

The principal and the financial business office must ensure that all future grant applications are processed according to MCPS procedural guidelines. The complete package, including MCPS Form 280-60, the full application, and a detailed budget must be submitted to the Department of Management and Budget, Division of Financial Management at least two weeks prior to the grantor's application due date. Grant applications should not be submitted to the external grantor

until formal authorization has been received from the Budget Unit. Ongoing training on the grant approval procedure should be required for all staff.

**Finding 5 [High-Risk]:** Failure to Substantiate Travel Expenses as Solely for Official School Business.

For staff out-of-town travel and local travel requiring lodging for one or more nights, the approval requirements of MCPS Regulation DIE-RA, *Travel for Montgomery County Public Schools (MCPS) Purposes*, apply. Any overnight travel request requires the additional submission of MCPS Form 281-1, *Request/Accounting for Nonlocal Travel Funds*. We found that the documentation provided by a staff member for travel reimbursements was insufficient to establish that the expenses were solely for official business travel. Specific concerns included hotel reservations booked under a spouse's name and one reservation explicitly listed as "pleasure" with four guests.

We recommend that the school follows internal controls to ensure strict adherence to MCPS Regulation DIE-RA regarding travel and lodging expenses. Travel expenses must be solely for official business purposes, supported by appropriate documentation (receipts must be in the employee's name or the school's name).

**Finding 6 [Moderate-Risk]:** Failure to Consistently Generate, Distribute, and Track Acknowledgment of Monthly Financial Reports.

The financial agent will provide each sponsor a report for each month in which any transaction was recorded in that sponsor's IAF account or the account has a balance. The sponsor will verify the report to ensure that the correct total of all remittances submitted were credited to the account, all disbursements from the account were in the amounts authorized, any transfers into or out of the account were in the amount authorized, and the ending monthly balance indicated on the report by the financial agent agrees with that of the sponsor's records. If the sponsor agrees with the transaction and ending balance amounts, the sponsor will sign and date the report to indicate agreement, and return within five days a copy to the financial agent for retention in the finance records. The financial agent shall maintain a control (for example, a check-off list) to identify and follow up on those activity account reconciliation reports not returned by sponsors. (refer to the *MCPS Financial Manual*, chapter 20, page 10). We found that monthly reports were not consistently generated or printed for all required IAF accounts. Unable to determine if all sponsors received, reviewed and returned the monthly account history reports due lack of filing and tracking. Additionally, there was no documentation of communication to sponsors on file that were delinquent in returning signed reports.

We recommend that sponsors be given a monthly statement of their accounts and be required to verify that all transactions affecting the account have been correctly recorded.

**Finding 7 [Low-Risk]:** Inadequate Supporting Documentation, Failure to Document Verification of Receipt of Goods and Services, and Not Marking Invoices/Receipts Paid.

Prior to the disbursement of any IAF, the financial agent will ensure that they have received the appropriate authorization documentation to support the procurement of the goods and services for which the disbursement is to be made. The financial agent also will ensure that the staff member who made the purchase provides adequate documentation to support payment such as original itemized receipt or invoice and written indication that goods and services were received in the quantity and quality required. The invoices/receipts must be marked or stamped "Paid" upon processing for disbursement and retained in the business office (refer to the *MCPS Financial Manual*, chapter 20, page 6). In our sample of disbursements, we found that the school is processing disbursements from the IAF without adequate supporting documentation and a review of check requests revealed instances where detailed invoices or receipts were missing entirely. In addition, IAF and Purchasing Card invoices were not always marked by the requester to indicate satisfactory receipt of goods or services and the financial agent was not marking or stamping the invoices/receipts as Paid.

We recommend that the school must establish and strictly enforce internal control procedures to ensure all disbursements from IAF are supported by complete, accurate, and verified documentation before any payment is processed, the designated staff member or requester must sign, date, and annotate the invoice or receipt to explicitly confirm satisfactory receipt of all items or services, and that the financial agent marked or stamped or receipts/invoices as Paid.

**Finding 8 [Moderate-Risk]:** Non-Compliance with Policies for Staff Expense Reimbursements.

The use of personal credit cards for large purchases is discouraged (refer to the *MCPS Financial Manual*, chapter 20, page 9). In our sample of disbursements, we found that three staff members spent their own personal funds, usually using credit cards, and were reimbursed excessive amounts instead of making purchases through the Business Hub (Hub) or with an MCPS purchasing card.

We recommend issuing MCPS purchasing cards to MCPS staff members for small purchases and all large purchases be placed in the Hub.

**Finding 9 [Moderate-Risk]:** Failure to Obtain Required Ethics Approval and Improper Payment Method for Services Rendered by an MCPS Employee.

Procurements requiring the principal to obtain prior written authorization from the BOE ethics officer include the following: Any goods or services procured from any MCPS employee, a member of any MCPS employee's immediate family, or any business entity (for profit or not for-profit) in which any MCPS employee or MCPS employee's immediate family has any amount of ownership in or influence over decision making of the business entity (Refer to the *MCPS Financial Manual*, chapter 20, page 6). Form W-9 is not required for an MCPS employee; however, direct payments to MCPS employees for services must be made through the payroll system, using MCPS Form 280-46, *Independent Activity Funds Request for Payment to MCPS Employees for Services (Work) Performed*, (Refer to the *MCPS Financial Manual*, chapter 18, page 3). We found that the school issued a direct payment to a staff member via an IAF check for

services rendered (photobooth), without obtaining pre-approval from the Board of Education (BOE) Ethics Officer.

The principal must ensure that all procurements from any MCPS employee, immediate family member, or associated business entity receive prior written authorization from the BOE ethics officer before any commitment or payment is made. Additionally, all payments for services rendered by an active MCPS employee must be processed exclusively through the MCPS payroll system using MCPS Form 280-46, rather than direct IAF checks.

**Finding 10 [Moderate-Risk]:** Non-Compliance with Documentation Procedures for Independent Activity Fund (IAF) Remittance Slips.

Every MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*, should be completed and must indicate: date of remittance, amount of funds remitted, source of funds received, general ledger account, reason for collection, list of students from whom funds were collected with amount of cash or check, signature of remitter, signature of financial agent receiving the funds, date received, and receipt number (See *MCPS Financial Manual*, chapter 7, page 4). We found that the financial agent was not always completing Part II of the 280-34 IAF Remittance Slip with the date received, signature of the person receiving the funds, and receipt number and when the financial agent was collecting obligations, a MCPS Form 280-34, was not always present.

We recommend that the financial agent complete a MCPS Form 280-34 when collecting obligations funds and to always complete part II of the remittance slip.

**Finding 11 [High-Risk]:** Missing Gift Cards and Improper Fund Storage Practices.

Funds must be safeguarded at all times. Any funds stored overnight at a school must be adequately secured in either a locked cabinet or a combination safe (refer to the *MCPS Financial Manual*, chapter 7, page 3). The maximum Cash Holding Authority (CHA) is \$50 for a school using a locked cabinet and \$250 for a school using a combination safe for securing its funds may be temporarily exceeded when funds are received after regular school business hours (refer to the *MCPS Financial Manual*, chapter 7, page 2). We found that the financial agent left the combination safe open, which contained gift cards, the internal control of securing the gift cards was not followed. Seven gift cards valued at \$25 each were subsequently missing from the unlocked safe. The financial agent is no longer utilizing the combination safe for securing undeposited funds. Instead, funds are currently being stored in a locked desk drawer. This change in practice occurred after gift cards went missing from the safe when it was left unlocked.

It is recommended that the principal and the financial agent immediately reinforce and adhere to mandatory cash and asset security protocols to safeguard school funds and prevent future losses.

**Finding 12 [Moderate-Risk]:** Lack of Fund Raiser Request Form for Admissions Events and lack of Fund Raiser Completion Reports for the Fund Raisers Activities.

All fund-raising activities shall be in accordance with Board Policy CND, *School-Related Fund-Raising*. Detailed guidance for sponsoring IAF fundraisers is contained in the MCPS publication, *Guidelines for Sponsoring an Independent Activity Fund Fund Raising Activity*. All fund-raisers require principal approval on the Fund Raiser Request form and an analysis of the activity on the Fund Raiser Completion Report. The forms are available in the Business Tools & Calculators section of the MCPS Business Center tab of myMCPS. (See *MCPS Financial Manual*, chapter 20, page 13). Fund Raiser completion reports were not available for the fund raisers in our sample. No fund raiser request or reconciliation was done for the admission events in our sample.

The principal must ensure that an approved Fund Raiser Request form is on file for every fundraising initiative and admissions event prior to the activity taking place. The financial agent and responsible sponsors must complete and submit the Fund Raiser Completion Report within the required timeframe (typically shortly after the event concludes) for all activities.

**Finding 13 [Moderate-Risk]:** Lack of Required Financial Documentation and Reconciliation for Field Trips.

MCPS Form 280-41, *Field Trip Accounting*, or an equivalent must be used by sponsors to record field trip funds collected. Sponsors must have a complete class or club roster of student names to annotate how much each student paid by cash, check or online, date paid, students who did not attend the field trip, and students who received waivers/scholarships or reduced fees. Field trip reconciliations should be done once all expected receipts have been received - about a week or two after the field trip takes place. The reconciliation compares funds received to funds recorded in SFO (See the *MCPS Financial Manual*, chapter 20, page 10). In our samples, field trips did not have a field trip reconciliation form and no field trip accounting sheets from the sponsors on file.

Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and financial agent must reconcile funds collected with account history report.

**Finding 14 [Low-Risk]:** Failure to Utilize Tickets and to Complete a MCPS Form 280-50 for Admission Events.

Athletic and nonathletic admission events that generate receipts shall be controlled in accordance with MCPS Regulation DMB-RA, *Control of Admission Receipts*. Such receipts are highly susceptible to improper diversions and should be controlled carefully. The regulation provides for internal controls through (1) the use of serially numbered tickets, (2) separation of duties that includes a ticket controller, admissions manager, and report auditor, (3) preparation and signature of MCPS Form 280-50, *Tickets and Cash Report of Admissions Manager*, and (4) reconciliation to ensure that the value of unsold tickets plus funds deposited equals the value of tickets issued (See the *MCPS Financial Manual*, chapter 20, page 13). We noted that admission events were not controlled by tickets and ticket reports. The SGA sponsor uses lists to record student payments and control admission to events. No reconciliation of students attending and funds collected was on file.

MCPS Form 280-50 must be prepared, signed, and retained for every event and all admission tickets where cash/checks is collected must be issued a ticket.

**Finding 15 [Moderate-Risk]:** Non-compliance with Wellness and Nutrition Regulations.

Foods and beverages available to students outside of the school meals program, including but not limited to the à la carte cafeteria program, school stores, athletic departments, fund-raising activities, and vending machines operational during the instructional day must meet the USDA “Smart Snacks” standards and the Maryland Nutrition Standards for all foods sold in school. The USDA “Smart Snacks” standards and the Maryland Nutrition Standards are in effect from 12:01 a.m. until 30 minutes after the end of an instructional day (MCPS wellness and nutrition policies, MCPS Regulation JPG-RA, *Wellness: Physical and Nutritional Health*). It was noted during the closeout meeting (via school's announcements) that the school store was offering pizza, chips, and various drinks, for sale immediately after the school dismissal bell. Not all of these food and beverage options comply with federal and state nutritional standards for items sold on school grounds.

The principal and the school store sponsor must immediately conduct a full inventory review. All food and beverage products that do not meet the current USDA Smart Snacks in School criteria and MCPS wellness policies must be removed from sale immediately. The school administration shall implement a mandatory verification step for all future inventory purchases to ensure that only approved, compliant items are ordered and stocked in the school store.

**Exit Conference:**

At our December 11, 2025, exit conference with Dr. Shawaan T. Robinson, principal; Mr. Aaron J. Williams, assistant principal; Ms. Melissa I. Laureano, school business administrator; Mrs. Christina M. Keating, school financial specialist; and Mrs. Dessalyn S. Dillard, athletic director, we reviewed the prior audit report dated August 30, 2024, and the status of the current conditions. 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.

We thank you for your cooperation. Based on the **Unsatisfactory** status of your IAF audit, an action plan must be completed. Prior to returning your completed audit action plan, please contact Ms. Lily V. Lake-Parcan, acting director of school leadership and improvement, Division of School Leadership and Improvement, for written approval of your plan. Based on the audit recommendations.

MAP:YSG:rg

Attachment

Copy to:  
Members of the Board of Education

Dr. Taylor  
Mrs. Alfonso-Windsor  
Ms. McGuire  
Dr. Moran  
Ms. Seabrook  
Mr. Francois  
Dr. Jones  
Mrs. Chen  
Ms. Lake-Parcan  
Mrs. Ripoli  
Mr. Santos Rodriguez  
Ms. Webb

**FINANCIAL MANAGEMENT ACTION PLAN**

<b>Report Date: February 18, 2026</b>	<b>Fiscal Year: 5/1/24-10/31/25</b>
<b>School or Office Name: Paint Branch High School</b>	<b>Principal: Dr. Shawaan Robinson</b>
<b>DSLI Associate Superintendent: Dr. Donna Redmond Jones</b>	<b>DSLI Director: Mrs. L. Victoria Lake Parcan</b>
<p><b><u>Strategic Improvement Focus:</u></b> As noted in the financial audit for the period <u>5/1/24-10/31/25</u>, strategic improvements are required in the following business processes :</p>	

<b>Action Steps</b>	<b>Person(s) Responsible</b>	<b>Resources Needed</b>	<b>Monitoring Tools / Data Points</b>	<b>Monitoring: Who &amp; When</b>	<b>Results/Evidence</b>
<p><b>Repeat Findings from Prior Audit:</b> Finding 1- Principal will meet regularly with the school business administrator and financial agent to review the outstanding MCPS invoices and to pay the current outstanding invoices as soon as possible.</p>	<p>Principal School Business Administrator Financial Specialist</p>	<p>N/A</p>	<p>IAF financial reports, balance due to MCPS reports, and outstanding invoice logs</p>	<p>Weekly Principal School Business Administrator Financial Specialist</p>	<p>Monthly financial review documentation, invoice payment confirmations, and reports demonstrating that balances due to MCPS are monitored and maintained at or near zero.</p>
<p>Finding 2- Staff will obtain the principal's approval using MCPS Form 280-54, before purchasing goods or services. If a sponsor is seeking immediate approval, the sponsor will have the MCPS Form 280-54 prepared in advance. The FS will complete an MCPS Form 280-54 when paying an MCPS invoice and to attach the approved MCPS Form 280-54 to the disbursement documentation.</p>	<p>Staff Principal School Business Administrator Financial Specialist</p>	<p>N/A</p>	<p>Documentation checklist to verify that Form 280-54 is attached to all invoices, receipts, and MCPS iPayment transactions before checks are processed.</p>	<p>Weekly Principal School Business Administrator Financial Specialist</p>	<p>Signed and dated MCPS Form 280-54 forms, properly attached supporting documentation, and monthly internal reviews demonstrating that purchases are approved prior to the transaction date.</p>

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
<p><b>Finding 3-</b> The principal will meet with the School Business Administrator, Financial Specialist, Athletic Director, and activity sponsors to review expectations regarding daily remittance, and timely deposits prior to weekends, holidays, and month end.</p>	<p>Staff Principal School Business Administrator Financial Specialist Athletic Director Activity Sponsors</p>	<p>N/A</p>	<p>Remittance logs Deposit reports</p>	<p>Weekly Principal School Business Administrator Financial Specialist Athletic Director</p>	<p>Completed MCPS Form 280-34 remittance slips, dual count verification, bank deposit records, and documented monthly reviews confirming that deposits are made timely and in accordance with MCPS procedures.</p>
<p><b>New Findings</b> Finding 1-The principal, school business administrator, financial specialist and athletic director will establish a structured communication and oversight framework with all program coaches to ensure that the fee activities, collections, and expenditures are transparent, authorized and properly documented in accordance with the MCPS Financial Manual. The athletic director will require that every coach submit a written summary of planned fundraising or fee collections, including projected amounts, intended uses, and supporting documentation, before any funds are solicited from students or families. This documentation should be reviewed and approved by the principal or designee to verify compliance with Board of Education policies and MCPS Regulations and to confirm that all funds will be deposited into the appropriate IAF account.</p>	<p>Principal School Business Administrator Financial Specialist Athletic Director</p>	<p>N/A</p>	<p>Monitoring tools will include a coach fundraising/fee collection proposal form, pre-approval tracking log, and monthly athletic financial review reports. Data points reviewed will include the name of the activity, projected funds to be collected, intended use of funds, approval dates, account designation, and final amounts collected and deposited. The Athletic Director will collect and review written proposals from coaches prior to any solicitation of funds, and the Principal or designee will provide documented approval to ensure alignment with Board of Education policies and MCPS regulations.</p>	<p>Weekly Principal School Business Administrator Financial Specialist Athletic Director</p>	<p>Results and evidence will include approved fundraising summaries, documented principal approvals, IAF deposit records, and monthly reconciliation reports confirming that all athletic collections are properly authorized, deposited into the appropriate IAF accounts, and used for their intended purposes.</p>

<p><b>Finding 2-</b>The athletic director will ensure that a Fund Raiser Request Form is completed and submitted for every single fundraising activity, including booster club initiatives, and athletic department fund raisers. This form must be reviewed, approved, and signed by the principal prior to the commencement of any fundraising activities, solicitation of funds, or commitment of resources to ensure proper oversight, compliance, and fiscal accountability across all athletic programs.</p>	<p><b>Principal School Business Administrator Financial Specialist Athletic Director</b></p>	<p>N/A</p>	<p>Fundraiser request forms; Data points reviewed will include the fundraiser name, sponsoring team or booster group, projected revenue, approval date, principal signature verification, and deposit records associated with the activity.</p>	<p><b>Weekly Principal School Business Administrator Financial Specialist Athletic Director</b></p>	<p>Results and evidence will include signed Fund Raiser Request Forms, documented approval records, IAF deposit documentation, and monthly reviews confirming that all fundraising activities are properly authorized and aligned with MCPS Financial Manual requirements.</p>
<p><b>Finding 3-</b> To improve internal controls, the financial specialist shall execute a transfer of funds between accounts using MCPS Form 281-46, signed by the account sponsor and principal. All accounts should be reviewed at the end of each fiscal year (June 30) and transfers made to close accounts not needed for the next fiscal year.</p>	<p><b>Principal Financial Specialist</b></p>	<p>N/A</p>	<p>IAF account review checklist, account balance report, and a transfer tracking log using MCPS Form 281-46.</p>	<p><b>Weekly Principal Financial Specialist</b></p>	<p>Results and evidence will include completed and signed MCPS Form 281-46 documents, updated account ledgers reflecting the transfers, and year-end financial review records demonstrating that inactive or unnecessary accounts have been appropriately closed or consolidated prior to the new fiscal year</p>

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
<p><b>Finding 4-</b> The principal and the financial business office will ensure that all future grant applications are processed according to MCPS procedural guidelines. The complete package, including MCPS Form 280-60, the full application, and a detailed budget must be submitted to the Department of Management and Budget, Division of Financial Management at least two weeks prior to the grantor's application due date. Ongoing training on the grant approval procedure will be required for all staff.</p>	<p><b>Principal School Business Administrator Financial Specialist</b></p>	<p>N/A</p>	<p>Monitoring tools will include a grant submission checklist and documentation review protocol to verify that MCPS Form 280-60, the full grant application, and a detailed budget are completed and submitted to the Department of Management and Budget, Division of Financial Management at least two weeks prior to the grantor's deadline.</p>	<p><b>Weekly Principal School Business Administrator Financial Specialist</b></p>	<p>Results and evidence will include completed MCPS Form 280-60 forms, documented submission records, approval confirmations from the Division of Financial Management, and training documentation demonstrating that staff have received guidance on the MCPS grant approval process.</p>
<p><b>Finding 5-</b> The school will follow internal controls to ensure strict adherence to MCPS Regulation DIE-RA regarding travel and lodging expenses. Travel expenses will be solely for official business purposes, supported by appropriate documentation.</p>	<p><b>Principal School Business Administrator Financial Specialist Staff</b></p>	<p>MCPS Form 281-1, Request/Accounting for Nonlocal Travel Funds</p>	<p>Completion of MCPS Form 281-1, Request/Accounting for Nonlocal Travel Funds</p>	<p><b>Weekly Principal School Business Administrator Financial Specialist</b></p>	<p>Results and evidence will include approved travel documentation, itemized receipts, reimbursement records, and periodic internal reviews demonstrating that all travel and lodging expenses are properly authorized, documented, and in compliance with MCPS Regulation DIE-RA.</p>

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
<p><b>Finding 6- Sponsors will be given a monthly statement of their accounts and be required to verify that all transactions affecting the account have been correctly recorded.</b></p>	<p><b>Principal School Business Administrator Financial Specialist Staff</b></p>	<p>N/A</p>	<p>Monitoring tools will include monthly sponsor account statements</p>	<p>Monthly Principal Financial Specialist</p>	<p>Results and evidence will include signed account verification forms, documented corrections if discrepancies are identified, and maintained records demonstrating that sponsor accounts are reviewed and verified on a monthly basis.</p>
<p><b>Finding 7-The school will establish and strictly enforce internal control procedures to ensure all disbursements from IAF are supported by complete, accurate, and verified documentation before any payment is processed, the designated staff member or requester must sign, date, and annotate the invoice or receipt to explicitly confirm satisfactory receipt of all items or services, and that the financial agent marked or stamped or receipts/invoices as Paid.</b></p>	<p><b>Principal Financial Specialist</b></p>	<p>N/A</p>	<p>Monthly financial review reports</p>	<p><b>Principal School Business Administrator Financial Specialist</b></p>	<p>Results and evidence will include signed and dated invoices or receipts confirming receipt of goods or services, stamped "Paid" documentation, and maintained disbursement records demonstrating that all payments are supported by complete and verified documentation prior to processing.</p>
<p><b>Finding 8- Issue MCPS purchasing cards to MCPS staff members for small purchases and all large purchases be placed in the Hub.</b></p>	<p><b>Principal School Business Administrator Financial Specialist</b></p>	<p>N/A</p>	<p>N/A</p>	<p>Monthly Principal School Business Administrator</p>	<p>Monthly JP Morgan reconciliation</p>

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
<p><b>Finding 9-</b> The principal will ensure that all procurements from any MCPS employee, immediate family member, or associated business entity receive prior written authorization from the BOE ethics officer before any commitment or payment is made. Additionally, ensure all payments for services rendered by an active MCPS employee must be processed exclusively through the MCPS payroll system using MCPS Form 280-46, rather than direct IAF checks.</p>	Principal Financial Specialist	N/A	Completed MCPS Form 280-46, Independent Activity Funds Request for Payment to MCPS Employees for Services (Work) Performed	As Needed Principal Financial Specialist	Results and evidence will include documented ethics approvals, completed MCPS Form 280-46 payroll forms, payment records processed through MCPS payroll, and maintained financial documentation demonstrating adherence to MCPS ethics and procurement requirements.
<p><b>Finding 10-</b> The financial specialist will complete a MCPS Form 280-34 when collecting obligations funds and complete part II of the remittance slip.</p>	Principal Financial Specialist	N/A	N/A	Principal Financial Specialist	Completed MCPS Form 280-34 when collecting obligations
<p><b>Finding 11-</b> Principal and the financial specialist will immediately reinforce and adhere to mandatory cash and asset security protocols to safeguard school funds and prevent future losses</p>	Principal Financial Specialist	N/A	N/A	Principal Financial Specialist	Anti-theft measures have been put in place since the incident occurred. No further issues have arisen.
<p><b>Finding 12-</b> The principal will ensure that an approved Fund Raiser Request form is on file for every fundraising initiative and admissions event prior to the activity taking place. The financial specialist and responsible sponsors must complete and submit the Fund Raiser Completion Report within the required timeframe (typically shortly after the event concludes) for all activities.</p>	Principal Financial Specialist	N/A	Completed Fund Raiser request form	Principal Financial Specialist	Fund Raiser Completion Report

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Finding 13- Field trip records prepared by sponsors will provide comprehensive data to account for all students eligible to participate, and financial agent must reconcile funds collected with account history report.	Sponsors Financial Specialist	N/A	Completed field trip reports	Ongoing Financial Specialist Field Trip Sponsors	Completed field trip reports
Finding 14-MCPS Form 280-50 will be prepared, signed, and retained for every event and all admission tickets where cash/checks is collected must be issued a ticket.	Sponsors Financial Specialist	N/A	Completed MCPS Form 280-50	Ongoing Financial Specialist Event Sponsors	Compliance with MCPS Regulation DMB-RA, Control of Admission Receipts
Finding 15- The principal and the school store sponsor must immediately conduct a full inventory review.	Principal Sponsor	N/A	Inventory list of items	Principal Sponsor	As of December 12, 2025 The Panther Pit Stop is no longer in operation.

**DIVISION OF SCHOOL LEADERSHIP AND IMPROVEMENT (DSLID)**

Approved  Please revise and resubmit plan by \_\_\_\_\_

Comments:

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Director: L. Victoria Lake-Parcan Date: 03/19/2026