


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

July 14, 2025

MEMORANDUM

To: Mr. Daniel P. Miller, Principal
Ridgeview Middle School

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

Subject: Report on Audit of Independent Activity Funds for the Period
October 1, 2023, 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 18, 2025, meeting with you, and Mr. Albert L. Sisco, school financial specialist, we reviewed the prior audit report dated December 6, 2023, and the status of the present conditions. It should be noted that your appointment as principal was effective July 1, 2024. In addition, it should be noted that we met on August 23, 2024, to discuss the prior audit findings and school's action plan. 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

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 had not always prepared their monthly statements, attached their purchase receipts, nor presented to principal for review. We also found that the principal had not approved all transactions online. We recommend that all cardholders provide the principal with a copy of the monthly statement of landscape report, with corresponding receipts even if they have not had any transactions for the month. In addition, we recommend that transactions be reviewed and approved by the principal in the online program.

To properly control receipts, cash and checks (funds) collected by sponsors for IAF activities must be remitted promptly and intact to the financial specialist along with MCPS Form 280-34, *MCPS 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 then 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 no cash or checks would be held overnight. In our review of receipts, we found that some sponsors were holding funds collected rather than remitting them to the financial specialist on a daily basis. We also noted at times funds were held by sponsors over allowable limits or over a weekend. 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 specialist and deposited timely.

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 financial specialist 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). 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 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 financial specialist with remittances recorded in activity accounts

Notice of Findings and Recommendations

- Purchase card activity must comply with the *MCPS Purchasing Card User's Guide*.
- Cash and checks (funds) collected by sponsors must be promptly remitted to the financial specialist and deposited in the bank timely always by the end of the month and before each weekend or holiday (**repeat**).
- Field trip records prepared by sponsors must provide comprehensive data to account for all eligible to participate, including volunteers and chaperones, and the financial specialist must reconcile funds collected with 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. Michael J. Zarchin, director, Division of School Leadership 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 financial specialist to support you with developing a well-defined plan to address the findings.

MAP:AMB:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Taylor

Mts. Alfonso-Windsor

Ms. McGuire

Dr. Moran

Ms. Seabrook

Dr. Campbell

Mr. Francois

Mrs. Chen

Mrs. Ripoli

Mr. Santos Rodriguez

Dr. Zarchin

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 07/14/2025

Fiscal Year: FY2025

School or Office Name: Ridgeview Middle School

Principal: Daniel Miller

OSSI

Associate Superintendent:

OSSI

Director: Dr. Michael Zarchin

Strategic Improvement Focus:

As noted in the financial audit for the period 10/1/23-04/30/25, 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
Purchase card activity will comply with MCPS Purchasing Card guidelines. Cardholders will prepare their monthly statements by the fifth business day of the month. FS will send e-mail reminders to cardholders. FS will meet with the principal by the tenth day of the month to review and approve transactions.	Principal and FS	JP Morgan Statement Landscape	Reports will be signed, approved, and filed as required. Calender invites sent as reminders.	FS-Fifth and Tenth Business Days of every month	All card logs and approvals will be done by due dates.
Cash and checks collected by sponsors will be promptly remitted to the Financial Specialist and deposited in the bank timely. Sponsors will be trained at pre-service on the importance of remitting funds daily in time for the Financial Specialist to take them to the bank.	FS and Sponsors	MCPS Remittance Form# 280-34	All funds will be taken to the bank the same day they are collected.	FS will monitor sponsors who are collecting funds to make sure they are not holding funds overnight.	All remittance forms and bank receipts will have the same date.
Field trip records prepared by sponsors must provide comprehensive date to account for all eligible to participate, volunteers, and chaperones. FS will reconcile funds collected with account history report	FS and Sponsors	MCPS Field Trip Accounting Form #280-41	Account history reports will be compared to sponsor's field trip accounting records.	FS will make sure at the conclusion of field trip that MCPS Form 280-41 is turned in.	All accounting between the FS and trip sponsor will match and be filed.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

☒ Approved

☐ Please revise and resubmit plan by _____

Comments:

Director: _____

Date: _____