

Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

August 23, 2018

MEMORANDUM

To: Ms. Nicola Diamond, Chief Financial Officer

From: Roger W. Pisha, Supervisor, Internal Audit Unit 

Subject: Report on Audit of John F. Kennedy High School Exam Fee Waivers  
for School Year 2017–2018

This audit was conducted upon your request to review John F. Kennedy High School's compliance with the procedures outlined in your October 19, 2017, memorandum, *Fiscal Year 2018 Exam Fee Subsidies for Students with Financial Need* (refer to attached memorandum). This memorandum was issued to high school principals to provide information pertaining to exam fee reductions and waivers for students with financial need and the process for Montgomery County Public Schools (MCPS) reimbursement of external exam fees paid with the Independent Activity Funds for students eligible for financial assistance. MCPS reimbursement was limited to Advanced Placement (AP) and International Baccalaureate (IB) exam fees and registration fees for students who met Federal and State low-income guidelines for free or reduced-priced meals. Students receiving Free and Reduced-price Meals System (FARMS) services, who were eligible for exam fee subsidies, were responsible for paying a portion of the fee for each AP exam, AP Capstone exam, IB exam, and IB registration fee. An *AP/IB Exam Fee Assistance Request Form 2017-2018* (refer to memorandum, Attachment B) was required to be signed by a parent/guardian for each student listed as waiver eligible to document income eligibility for exam fee assistance. At least one item on the form had to be checked to qualify for financial assistance.

John F. Kennedy High School originally requested waivers for 322 AP exams, 549 IB exams, and 187 IB registrations. MCPS was only able to confirm that 128 students taking 169 AP exams were FARMS eligible. In addition, MCPS was only able to confirm that 110 students taking 253 IB exams and 99 exam registrations were FARMS eligible. MCPS reimbursed the school for only those students who could be confirmed to be FARMS eligible. During the audit, the team determined that there were actually 127 confirmed AP students and 109 unconfirmed AP students for a total of 236 students requesting AP waivers. Auditors also determined that there were 109 confirmed IB students and 107 unconfirmed IB students for a total of 216 IB students requesting waivers. This correction was due to the fact that the IB sponsor had recorded some students on the monitoring table multiple times with different ID numbers. The internal audit team requested that the school provides all exam fee assistance request forms verifying students who met Federal and State low-income guidelines. Auditors found that the school had waiver forms for all but one AP student and one IB student. The team also found that one family was asking for a hardship waiver for an AP exam and did not qualify for FARMS. MCPS also reimbursed the school for

one IB exam waiver and one IB registration for a student who was not invoiced by International Baccalaureate. When reviewing the waiver forms on hand, auditors found that 20 AP/IB waiver forms did not have any of the eligibility items checked off, and one form was not signed by a parent/guardian.

The internal audit team recommends that the test coordinator be reminded of the requirement to obtain and retain an *AP/IB Exam Fee Assistance Request Form*, signed by a parent/guardian and with at least one eligibility item checked for each student listed as waiver eligible.

This audit report is provided for informational purposes only. No response is required. Please direct any question to me at 301-444-8650.

RWP:MJB:lsH

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Mr. Civin

Dr. Johnson

Mrs. Dyson

Dr. Sirgo

Mrs. Camp

Mrs. Chen

Mr. Tallur

Mr. Ikheloa

This e-mail message has been approved for distribution by Dr. Maria V. Navarro, chief academic officer; Dr. Kimberly A. Statham, deputy superintendent, school support and improvement; and Dr. Andrew M. Zuckerman, chief operating officer. No hard copy will be provided.

**ACTION REQUIRED BY: November 10, 2017**  
**February 15, 2018**  
**June 1, 2018**  
**June 8, 2018**

Office of the Chief Financial Officer  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

October 19, 2017

MEMORANDUM

To: High School Principals  
From:  Nicola Diamond, Chief Financial Officer  
Subject: ACTION—Fiscal Year 2018 Exam Fee Subsidies for Students with Financial Need

**Summary**

The purpose of this memorandum is to provide information related to Fiscal Year (FY) 2018 exam fee subsidies for students with financial need and the process for Montgomery County Public Schools (MCPS) reimbursement for those exam fee subsidies paid with Independent Activity Funds (IAFs). Also, guidelines for use of the IAF to support the implementation of Advanced Placement (AP) exams are provided in Attachment A.

**Please review all information carefully as there are changes in funding formulas and eligibility documentation. A new MCPS tracking table and summary report document will be required and sent to schools at a later date.**

- MCPS subsidies are limited to AP exam fees and International Baccalaureate (IB) exam and registration fees for students who meet federal and state low-income eligibility guidelines for free or reduced-price meals. Exam fee subsidies do not apply to late fees or other special fees.
- **One AP/IB Exam Fee Assistance Request Form (Attachment B), signed by the parent/guardian, is required for each student to document low-income eligibility and all the student's AP/IB exam and registration fees required for FY 2018.** AP/IB testing coordinators are responsible for ensuring this documentation is secured for each student receiving AP/IB exam fee assistance.
- **Students eligible for exam fee subsidies are responsible for paying a portion of the fee for each AP exam, AP Capstone exam, IB exam, and IB registration fee.** Specific fees are provided in the fee rate and subsidy chart below.

**FY 2018 AP/IB Exam Fee Rates and Subsidies for Students with Financial Need**

	Testing Agency Fee	College Board Fee Reduction	MCPS Subsidy	Student Pays
AP Exams	\$85	(\$32)	(\$33)	\$20
AP Capstone Exams	\$133	(\$32)	(\$76)	\$25
IB Exams	\$119	N/A	(\$94)	\$25
IB Registration	\$172	N/A	(\$162)	\$10

- Schools may choose to use their IAFs to provide financial support for other students with extraordinary financial hardship, but **MCPS cannot reimburse schools for financial support provided to students who do not meet the low-income eligibility guidelines for free or reduced-price meals.**
- AP and IB testing coordinators must maintain eligibility documentation and a detailed record of all exam/registration fees required for students with financial need. The MCPS External Exam Fee Subsidy Tracking Table will be revised for FY 2018 and sent via e-mail directly to AP/IB testing coordinators and high school business administrators in November 2017. Schools may use a comparable alternative provided all required information is included. This data is subject to audit each year by the Internal Audit Unit.
- School business administrators and AP/IB testing coordinators are responsible for collaborating to ensure IAF accounting accurately reflects that all AP/IB exam and registration fee subsidies paid for low-income eligible students are charged to IAF account #2150.0000.
- Schools that pay staff members for services related to the administration of the FY 2018 AP testing program should report payments to the Employee and Retiree Service Center (ERSC) using MCPS Form 280-46, *Independent Activity Funds Request for Payment to MCPS Employees for Services (Work) Performed*, by **Friday, June 1, 2018**.
- All high schools must submit an FY 2018 AP/IB Exam Fee Subsidy Report and Reimbursement Packet by **Friday, June 8, 2018**. The report packet will include the AP/IB Fee Summary Report for FY 2018, the exam fee subsidy tracking table, and copies of the school's final College Board (CB) invoice and all IB invoices, if applicable. This information will provide the basis for determining MCPS reimbursement. **The FY 2018 AP/IB Exam Fee Subsidy Report and Reimbursement Packet documents will be sent to schools with further information and updates in spring 2018.**

**Background**

MCPS external exam fee assistance is provided for students with financial need in an effort to reduce barriers to opportunities for AP testing. Also, fee reductions are available from the CB for AP and AP Capstone exams. It is imperative and expected that schools follow the approved CB procedures to identify and document all students who are eligible for exam fee reductions.

**Eligibility Criteria for FY 2018 External Exam Fee Subsidies**

To ensure resources are aligned to provide support for our students with greatest need, **MCPS subsidies for external exam fees are limited to AP exams and IB exams/registration fees and only will be paid for those students whose families meet the federal and state guideline for low-income, free or reduced-price meals**—"A student whose family income does not exceed 185% of the poverty income level."

Schools should refer to the U.S. Department of Agriculture (USDA) chart below for federal poverty guidelines for the 2017–2018 school year.

### USDA Income Eligibility Guidelines for Free and Reduced-price Meals, 2017–2018

INCOME ELIGIBILITY GUIDELINES											
Effective from July 1, 2017 to June 30, 2018											
HOUSEHOLD SIZE	FEDERAL POVERTY GUIDELINES	REDUCED PRICE MEALS - 185 %					FREE MEALS - 130 %				
		ANNUAL	MONTHLY	TWICE PER MONTH	EVERY TWO WEEKS	WEEKLY	ANNUAL	MONTHLY	TWICE PER MONTH	EVERY TWO WEEKS	WEEKLY
<b>48 CONTIGUOUS STATES, DISTRICT OF COLUMBIA, GUAM, AND TERRITORIES</b>											
1 .....	12,060	22,311	1,860	930	859	430	15,678	1,307	654	603	302
2 .....	18,240	30,044	2,504	1,252	1,156	578	21,112	1,760	880	812	406
3 .....	20,420	37,777	3,149	1,575	1,453	727	26,546	2,213	1,107	1,021	511
4 .....	24,600	45,510	3,793	1,897	1,751	878	31,980	2,665	1,333	1,230	615
5 .....	28,780	53,243	4,437	2,219	2,048	1,024	37,414	3,118	1,559	1,439	720
6 .....	32,960	60,976	5,082	2,541	2,346	1,173	42,848	3,571	1,786	1,648	824
7 .....	37,140	68,709	5,726	2,863	2,643	1,322	48,282	4,024	2,012	1,857	929
8 .....	41,320	76,442	6,371	3,186	2,941	1,471	53,716	4,477	2,239	2,066	1,033
<b>For each add'l family member, add</b>	<b>4,160</b>	<b>7,733</b>	<b>645</b>	<b>323</b>	<b>298</b>	<b>149</b>	<b>5,434</b>	<b>453</b>	<b>227</b>	<b>209</b>	<b>105</b>

#### Action Required

- **AP/IB Exam Fee Assistance Request Form**

**IB Exam Fee Assistance Request Forms Due to School: November 10, 2017**

**AP Exam Fee Assistance Request Forms Due to School: February 15, 2018**

The FY 2018 AP/IB Exam Fee Assistance Request Form (Attachment B), signed by the parent/guardian, is required for each student to document low-income eligibility and the student's AP/IB exam and registration fees required for FY 2018. AP/IB testing coordinators are responsible for ensuring this documentation is secured as soon as possible for each student receiving AP/IB exam fee assistance.

- **Payments for Staff Services**

**Due to ERSC: June 1, 2018**

When the work required for coordination/implementation of the AP testing program is not assigned to staff members as part of their job responsibilities to be done during the duty day, schools may use IAFs to compensate staff members for the work. Payments are permitted *only* for work done outside the employee's duty day and must be made according to MCPS pay rate guidelines and payroll processes. Schools may compensate an AP coordinator (not an administrator) for up to 125 hours of work done outside of the duty day to plan/coordinate the AP testing program. Also, schools may pay staff for data analysis or clerical support if needed. **However, the total number of hours compensated for AP planning and coordination must not exceed 150 hours per school.** Please note additional details provided in Attachment A, *Use of Independent Activity Funds to Support the Implementation of Advanced Placement Exams, FY 2018*.

Schools should report IAF payments for staff services related to the FY 2018 AP testing program to ERSC using MCPS Form 280-46, *Independent Activity Funds Request for Payment to MCPS Employees for Services (Work) Performed*, **no later than Friday, June 1, 2018.**

- **FY 2018 AP/IB Exam Fee Subsidy Report and Reimbursement Packet**

**Due to OCFO: June 8, 2018**

Each high school must submit to the Office of the Chief Financial Officer (OCFO) an FY 2018 AP/IB Exam Fee Subsidy Report and Reimbursement Packet **by Friday, June 8, 2018**, that includes the AP/IB Fee Summary Report for FY 2018, the exam fee subsidy tracking table, and copies of the school’s final CB invoice and all IB invoices, if applicable. The Subsidy Report document and directions will be provided to schools in spring 2018.

**Questions**

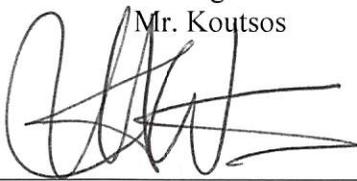
- Questions related to the FY 2018 AP or IB exams/registration, testing coordination, and reporting should be referred to Mrs. Elizabeth (Libby) M. Rogovoy, coordinator, Division of Accelerated and Enriched Instruction, Office of Curriculum and Instructional Programs, at 301-279-3163 or via e-mail.
- Questions related to IAF accounting and the reconciliation of AP/IB fee subsidies paid for students with financial need should be referred to Mrs. Mary J. (MJ) Bergstresser, internal audit analyst, Internal Audit Unit, at 301-444-8656 or via e-mail.
- Questions related to MCPS exam fee subsidies and the MCPS reimbursement process should be referred to Mrs. Deborah (Debbie) A. Camp, administrator for business and finance support, Office of the Chief Financial Officer, via e-mail.

ND:dc

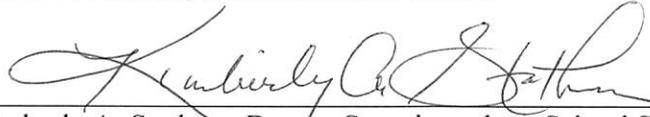
Attachments

Copy to:

- |  |                                   |
|--|-----------------------------------|
| Executive Staff                        | High School Financial Specialists |
| Mrs. Bergstresser                      | Mr. Murphy                        |
| Mrs. Camp                              | Mr. Pisha                         |
| Mrs. Casper                            | Mrs. Rogovoy                      |
| Mrs. Gomez                             | Testing Coordinators (AP and IB)  |
| High School Administrative Secretaries | Mr. Koutsos                       |
| High School Business Administrators    |                                   |



Approved: \_\_\_\_\_  
Maria V. Navarro, Chief Academic Officer



Kimberly A. Statham, Deputy Superintendent, School Support and Improvement



Andrew M. Zuckerman, Chief Operating Officer

## Use of Independent Activity Funds to Support the Implementation of Advanced Placement Exams, FY 2018

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The College Board provides financial incentives to high schools for coordinating and administering Advanced Placement (AP) testing. In addition, schools retain an administrative fee for each exam paid at the full price. These funds should be held in an Independent Activity Fund (IAF) account designated for AP testing and should be used according to IAF guidelines. These funds may be used to support the school's implementation of external exams as outlined below.

The following guidelines are intended to provide clarification for schools on approved and appropriate use of funds to support testing and to ensure consistency across the county. Funds may be used for the following purposes:

- 1) Financial support for students not qualified for MCPS financial assistance but who are documented to have extraordinary individual hardships
- 2) Testing facility rental and other facility expenses
- 3) AP testing furniture/equipment, purchase or rental (e.g., tables, chairs, portable desks for auditorium testing, headsets)
- 4) Materials and supplies used to enhance, expand, and/or to promote AP program opportunities for students
- 5) Student incentives for participation in AP testing programs
- 6) Fees for online test registration services
- 7) Registration expenses for required AP teacher training
- 8) **AP Testing Coordination/Implementation Services—Individuals may be paid to work in more than one capacity, but the combined total of hours for planning and implementing the AP exams (not including proctoring) should not exceed 150 hours per school. Exceptions must be approved by the chief financial officer or designee.**
  - **Payments to Staff—Payments to staff for work related to the AP testing program must be for time that is worked outside of the employee's duty day and must be made according to MCPS pay rate guidelines and payroll processes.** Supporting services staff should not be employed to do work in a similar capacity beyond 8 hours a day or 40 hours a week per the *Fair Labor Standards Act*. Schools should retain documentation of dates and hours worked for audit purposes. **Payments to staff for services related to the May 2018 AP testing program must be reported to the Employee and Retiree Service Center (ERSC) using MCPS Form 280-46, *Independent Activity Funds Request for Payment to MCPS Employees for Services (Work) Performed*, no later than Friday, June 1, 2018.**
  - **Payments to Non-MCPS Staff—Schools may hire proctors for testing if the individual is not already being paid for working at that time and if the individual is eligible to proctor according to criteria established by the testing agency. Payments for services performed by non-MCPS staff must comply with IAF guidelines related to independent contractors and MCPS Regulation DIA-RB, *Payments for Services and Reimbursements for Expenses from School Independent Activity Funds*. **MCPS Form 280-49A, *Authorization for Consultant/Independent Contractor (Vendor) Services Paid with Independent Activity Funds (IAF)*, and MCPS Form 235-40, *Response Form for Required Criminal Background Checks*, are required for each non-MCPS proctor employed.** Payments to independent contractors shall be made only after IRS Form W-9 has been obtained and the independent contractor has been set up in School Funds Online as a districtwide vendor by the Division of Controller.**

Type of Work	Rate of Pay	Authorization Process	Reporting Process
AP Testing Coordinator (planning/coordination)  MCEA and SEIU only	<b>\$25/hr</b>  <b>Maximum 125 hrs</b>	The amount to be paid to MCPS staff should be calculated based on the number of hours required for the work <b>outside of the employee's duty day</b> and the appropriate hourly rate of pay based on the type of work.	<b>Payments for staff services related to AP testing program should be reported to ERSC no later than Friday, June 1, 2018.</b>
Data Analysis SEIU	<b>\$21.28/hr</b>	Payments for staff services required for AP testing programs should be reviewed and approved in writing by the principal prior to any work being done. MCPS Form 280-54, <i>Independent Activity Funds Request for a Purchase</i> , or a budget plan may be used to document the principal's approval and authorization to work.	Schools report payments due to MCPS staff using MCPS Form 280-46, <i>Independent Activity Funds Request for Payment to MCPS Employees for Services (Work) Performed</i> .
Clerical Support SEIU	<b>\$17.28/hr</b>	<b>The combined total of hours for planning and implementing the AP exams (not including proctoring) should not exceed 150 hours per school.</b>	When used to pay staff for services related to AP testing, MCPS Form 280-46 must list the type of work performed, the applicable hourly pay rate, and the number of hours worked.  <b>Schools should retain supporting documentation for all MCPS Form 280-46 payments, including the dates and hours worked.</b>
Substitute Teacher (to cover for classroom teacher proctors or to serve as proctors)	Per MCEA negotiated contract	Substitute coverage is authorized through the online Substitute Employee Management System. <b>Note:</b> School reimburses MCPS for substitute pay + FICA contribution (\$19.29 + \$1.48/hr) using MCPS Form 203-2, <i>School Reimbursement for MCPS Substitute Teacher Coverage</i> .	Short-term substitute time is reported as STS using MCPS Form 430-17, <i>PACS Timesheet Short-Term Substitute Teachers and Staff Development Substitute Teachers</i> ; timekeeper posts time in PACS at the school level.
Proctors  (non-MCPS employees; must meet College Board eligibility criteria)	Certificated Substitute Teacher Hourly Rate (FY 2018)  <b>\$19.29/hr</b>	<b>MCPS Form 280-49A and MCPS Form 235-40 is required for each non-MCPS proctor employed.</b>  IRS Form W-9 required for the MCPS Division of Controller. Schools pay each individual with a school check.	Schools are responsible for paying non-MCPS staff through the IAF and are required to provide W-9s to the MCPS Division of Controller to establish individuals as districtwide vendors.

**Montgomery County Public Schools  
AP/IB Exam Fee Assistance Request Form  
2017–2018**

Montgomery County Public Schools (MCPS) provides exam fee assistance for students with financial need in an effort to reduce barriers to opportunities for Advanced Placement (AP) testing. Also, fee reductions are available from the College Board (CB) for AP and AP Capstone exams. **MCPS subsidies for external exam fees are limited to AP exams and International Baccalaureate (IB) exams/registration fees for those students whose families meet the federal and state guideline for low-income, free or reduced-price meals.**

If you meet one or more of the guidelines listed below, complete and return this form as soon as possible.

**IB Exam Fee Assistance Request Forms are DUE–NOVEMBER 10, 2017**

**AP Exam Fee Assistance Request Forms are DUE–FEBRUARY 15, 2018**

***The Information Provided On This Form Will Remain Confidential.***

**PART I – STUDENT INFORMATION**

Student's Name \_\_\_\_\_ MCPS ID# \_\_\_\_\_

*I am requesting MCPS exam fee assistance for the following fees:*

Type of Fee	Total Number Required
AP Exams	
IB Exams	
IB Registration	

*Please provide a list of the specific exam(s) you plan to take on the back of this page (Part 2).*

**Eligibility Checklist:** Please check all items below that apply to your student's eligibility for financial assistance. At least one item must be checked to qualify for financial assistance.

- My child is eligible for the free or reduced-price lunch program.
- My family receives assistance under Part A of Title IV of the Social Security Act.
- My child is eligible to receive medical assistance under the Medicaid Program under Title XIX of the Social Security Act.
- My family's taxable income would allow my child to be eligible for the reduced-meals program.

**Annual Income Eligibility Guidelines**

*(Effective July 1, 2017, through June 30, 2018)*

Household Size	Free Meals			Reduced-Price Meals		
	Year	Month	Week	Year	Month	Week
1	\$15,678	\$1,307	\$302	\$22,311	\$1,860	\$430
2	21,112	1,760	406	30,044	2,504	578
3	26,546	2,213	511	37,777	3,149	727
4	31,980	2,665	615	45,510	3,793	876
5	37,414	3,118	720	53,243	4,437	1,024
6	42,848	3,571	824	60,976	5,082	1,173
7	48,282	4,024	929	68,709	5,726	1,322
8	53,716	4,477	1,033	76,442	6,371	1,471
For each additional family member add...	\$5,434	\$453	\$ 105	\$7,733	\$645	\$ 149

➔ Parent Signature (Required) \_\_\_\_\_ Date \_\_\_\_\_

