


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 17, 2022

MEMORANDUM

To: Dr. Eugenia (Jeanie) S. Dawson, Chief of Finance and Operations

From: Mary J. Bergstresser, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Fiscal Year 2022 Cell Tower Revenue Distribution

In November 1997, the Board of Education adopted Policy ECN, *Telecommunications Transmission Facilities*, to establish criteria for evaluating applications to place private telecommunications transmission facilities at schools. A formula was then developed to share the lease revenue that would be collected by Montgomery County Public Schools (MCPS) in connection with telecommunication towers located at schools. This formula provided for one-third of the revenue to be distributed to the host school, one-third to be distributed to the other schools in the cluster, and the final third to be retained within the Real Estate Management Enterprise Fund. The Internal Audit Unit conducted an audit of the Fiscal Year (FY) 2022 revenue distribution to MCPS schools to determine compliance with the sharing formula and accounting for the funds.

On December 15, 2021, Ms. Adrienne L. Karamihas, director, Division of Capital Planning/Real Estate, Department of Facilities Management, provided the attached memorandum to the MCPS Division of Controller (DOC) requesting distribution of the \$428,712.66 annual cell tower revenue to 41 schools according to a list of revenue sharing payments. Ms. Karamihas also provided an individual memorandum notification to each of the 41 school principals informing them of the share of cell tower revenue that they would be receiving. Six of the forty-one schools received two payments, one for their school and the other for them to distribute to their consortia schools.

The DOC recorded the revenue distribution in the MCPS Business Hub effective January 6, 2022, and processed the revenue for deposit via the Automated Clearing House (ACH) electronic network for financial transactions directly into each of the 41 schools' respective Independent Activity Fund (IAF) checking accounts. School financial agents, in turn, were to confirm with their respective bank that the ACH revenue had been credited to their checking account, and then record the revenue into their school's checking account, number 9920.0000, and cell tower commission account, number 0100.0000, within the School Funds Online (SFO) IAF accounting software. The six schools receiving two payments were to then write checks to their consortia schools for distribution of their share of the cell tower revenue using the funds of the second payment (refer to the attachment).

We noted the following transactions pertaining to the cell tower revenue distribution process:

- Business Hub recorded 47 (41 + 6 second payments to consortia schools) ACH payments on 1/6/2022 totaling \$428,712.66.
- The first ACH revenue receipts were recorded in SFO on 1/7/22.
- The last ACH revenue receipt was recorded in SFO on 2/15/22 by a visiting bookkeeper for an elementary school.
- Check payments were received by 51 schools.
- The first checks were written for distribution to consortia schools on 1/11/2022.
- The first check revenue receipts were recorded in SFO on 1/14/2022.
- The last checks were written for distribution to consortia schools on 2/8/2022.
- The last check revenue receipt was recorded in SFO on 3/11/2022.

January 7, 2022, was the latest date that a bank processed the ACH payment to credit a school's checking account with the cell tower revenue. Of the 41 ACH payments, 36 of them, or 88 percent, were recorded in SFO after January 7, and 19 of those 36 were not recorded until February 2022. It appears that the financial agents at the 36 schools who recorded their ACH receipt after January 7 waited until receiving their January bank statement before recording the revenue in SFO. Many of the elementary schools waited until their visiting bookkeeper arrived and allowed them to enter the ACH in SFO. This practice does not provide the principal with the most current information for decision making, especially considering that cell tower commission revenue is not student-generated, allowing these funds to be used for activities such as staff development.

As of March 11, 2022, the total amount of \$428,712.66 for the FY 2022 cell tower revenue distribution has been reconciled with the Business Hub and SFO accounting records. No response to this audit report is required.

MJB:lsh

Attachments

Copy to:

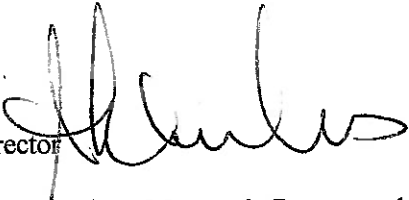
Members of the Board of Education	Mrs. Ripoli
Dr. McKnight	Ms. Webb
Mr. D'Andrea	
Mrs. Williams	
Mr. Reilly	
Mr. Adams	
Mrs. Chen	
Ms. Karamihas	
Mr. Kelley	
Mr. Klausling	
Mr. Lawrence	

Division of Capital Planning and Real Estate
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

December 15, 2021

MEMORANDUM

To: Susan B. Chen, Controller
Division of Controller

From: Adrienne L. Karamihas, Director 

Subject: Fiscal Year 2022 Telecommunications Monopole Revenue-sharing Distribution Request

This memo is to request the Division of Controller distribute the annual cell tower revenue share amounts to affiliate schools. The Board of Education adopted Policy ECN, *Telecommunications Transmission Facilities*, in November 1997, to establish criteria for evaluating applications to place private telecommunications transmission facilities at schools. At that time, the Board of Education directed the superintendent of schools to develop an equitable method to share the lease revenue collected by Montgomery County Public Schools regarding the telecommunication monopolies located at schools. Subsequently, the superintendent of schools approved a sharing formula that provided for one-third of the revenue be distributed to the host school, one-third of the revenue be distributed to the other schools in the cluster, and the final one-third of the revenue be retained in the Real Estate Management Enterprise Fund.

In 2004, the superintendent of schools agreed to a formula modification to address the distribution among consortia schools. An excerpt of the approved recommendation appears below:

The work group recommended that the principal of the school with a cellular monopole on its site be given the responsibility to distribute one-third of the rent to support schools whose students primarily attend the school with the monopole. If, at the discretion of the principal, funds are available for grants to other schools within the consortia, these funds could be allocated to those schools as well.

In compliance with Policy ECN, *Telecommunications Transmission Facilities*, and the superintendent of school's direction, I am attaching a list of payment requests to schools, totaling \$428,712.66, that can be credited to each school's Independent Activity Fund account. The list includes the consortia supplier's number twice, reflecting the intent that one payment is to be retained by the host school and the other payment is to be distributed by the host school's principal to the schools they serve. Please relay the amounts to the consortia schools as separate remittances. The payments are to be charged against account number 12.85001.00000.000.10.504048. Each school will be notified of the upcoming distribution.

Thank you for processing this request.

ALK:jb

Attachment

Copy to:

Ms. Dawson
✓ Mrs. Bergstresser
Mr. Lawrence

FY 2022 CELL TOWER COMMISSION REVENUE SHARING

	<u>Amount</u>	<u>Payment Method</u>
<u>CLUSTER SCHOOLS</u>		
<u>Captain James Daly ES</u>	\$ 12,259.21	ACH
Clarksburg ES	\$ 817.28	ACH
Little Bennet ES	\$ 1,634.56	ACH
Cedar Grove ES	\$ 817.28	ACH
Clarksburg HS	\$ 1,634.56	ACH
Fox Chapel ES	\$ 1,634.56	ACH
Wilson Wims ES	\$ 1,634.56	ACH
Rocky Hill MS	\$ 1,634.56	ACH
Hallie Wells MS	\$ 817.28	ACH
Snowden Farm ES	\$ 817.28	ACH
William B Gibbs ES	\$ 817.28	ACH
<u>Col Zadok Magruder HS</u>	\$ 12,186.71	ACH
Mill Creek ES	\$ 1,523.34	ACH
Candlewood ES	\$ 1,523.34	ACH
Cashell ES	\$ 1,523.34	ACH
Flower Hill ES	\$ 1,523.34	ACH
Redland MS	\$ 1,523.34	ACH
Judith A Resnik ES	\$ 1,523.34	ACH
Sequoyah ES	\$ 1,523.34	ACH
Shady Grove MS	\$ 1,523.34	ACH
<u>Sherwood HS</u>	\$ 42,738.51	ACH
Olney ES	\$ 6,105.50	ACH
Belmont ES	\$ 6,105.50	ACH
Rosa Parks MS	\$ 6,105.50	ACH
Greenwood ES	\$ 6,105.50	ACH
Sherwood ES	\$ 6,105.50	ACH
William H Farquhar MS	\$ 6,105.50	ACH
Brooke Grove ES	\$ 6,105.50	ACH
<u>Watkins Mill HS</u>	\$ 33,226.17	ACH
Whetstone ES	\$ 6,041.12	ACH
Watkins Mill ES	\$ 6,041.12	ACH
Montgomery Village MS	\$ 6,041.12	ACH
Stedwick ES	\$ 6,041.12	ACH
Neelsville MS	\$ 3,020.56	ACH
South Lake ES	\$ 6,041.12	ACH
	<u>\$ 200,821.18</u>	
<u>CONSORTIUM SCHOOLS</u>		
<u>James Hubert Blake HS</u>	\$ 13,047.81	ACH
	\$ 13,047.75	ACH
9 schools		To consortium schools
Page ES	\$ 1,449.75	Check
Galway ES	\$ 1,449.75	Check
Cloverly ES	\$ 1,449.75	Check
Greencastle ES	\$ 1,449.75	Check
Fairland ES	\$ 1,449.75	Check
Burtonsville ES	\$ 1,449.75	Check
Stonegate ES	\$ 1,449.75	Check
Banneker MS	\$ 1,449.75	Check
Briggs Chaney MS	\$ 1,449.75	Check
<u>Albert Einstein HS</u>	\$ 27,483.83	ACH
	\$ 27,483.83	ACH
8 schools		To consortium schools
Newport Mill MS	\$ 3,435.48	Check
Sligo MS	\$ 3,435.48	Check
Rock View ES	\$ 3,435.47	Check
Glen Haven ES	\$ 3,435.48	Check
Woodlin ES	\$ 3,435.48	Check

FY 2022 CELL TOWER COMMISSION REVENUE SHARING

	<u>Amount</u>	<u>Payment Method</u>
Highland ES	\$ 3,435.48	Check
Oakland Terrace ES	\$ 3,435.48	Check
Singer ES	\$ 3,435.48	Check
<u>John F Kennedy HS</u>	\$ 13,555.38	ACH
	\$ 13,555.36	ACH
8 schools		To consortium schools
Arcola ES	\$ 1,694.42	Check
Georgian Forest ES	\$ 1,694.42	Check
Glenallan ES	\$ 1,694.42	Check
Kemp Mill ES	\$ 1,694.42	Check
Strathmore ES	\$ 1,694.42	Check
Argyle MS	\$ 1,694.42	Check
Odessa Shannon	\$ 1,694.42	Check
Bel Pre ES	\$ 1,694.42	Check
<u>Northwood HS</u>	\$ 24,167.36	ACH
	\$ 24,167.36	ACH
7 schools		To consortium schools
Arcola ES	\$ 3,452.48	Check
Kemp Mill ES	\$ 3,452.48	Check
Highland View ES	\$ 3,452.48	Check
Sligo Creek ES	\$ 3,452.48	Check
Silver Spring MS	\$ 3,452.48	Check
Forest Knolls ES	\$ 3,452.48	Check
Glen Haven ES	\$ 3,452.48	Check
<u>Springbrook HS</u>	\$ 22,408.52	ACH
	\$ 22,408.52	ACH
10 schools		To consortium schools
Joann Leleck @Broad Acres	\$ 2,240.85	Check
Burnt Mills ES	\$ 2,240.85	Check
Cannon Road ES	\$ 2,240.85	Check
Cresthaven ES	\$ 2,240.85	Check
Drew ES	\$ 2,240.85	Check
Jackson Road ES	\$ 2,240.85	Check
Roscoe Nix ES	\$ 2,240.85	Check
Westover ES	\$ 2,240.85	Check
Key MS	\$ 2,240.85	Check
White Oak MS	\$ 2,240.87	Check
<u>Wheaton HS</u>	\$ 13,282.84	ACH
	\$ 13,282.84	ACH
9 schools		To consortium schools
Brookhaven ES	\$ 1,475.87	Check
Harmony Hills ES	\$ 1,475.87	Check
Shriver ES	\$ 1,475.87	Check
Viers Mill ES	\$ 1,475.87	Check
Weller Road ES	\$ 1,475.87	Check
Wheaton Woods ES	\$ 1,475.87	Check
Parkland MS	\$ 1,475.87	Check
Loiderman MS	\$ 1,475.87	Check
Edison HS	\$ 1,475.88	Check
Total Revenue Distribution	<u>\$ 428,712.58</u>	