


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

June 25, 2024

MEMORANDUM

To: Ms. Ivon Alfonso Windsor, Acting MCPS Chief Financial Officer

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

Subject: Report on Audit of Fiscal Year 2024 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) 2024 revenue distribution to MCPS schools to determine compliance with the sharing formula and accounting for the funds.

On December 5, 2023, 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 \$447,140.58 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 December 18, 2023, 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 12/18/23 totaling \$447,140.58.
- The first ACH revenue receipt was recorded in SFO on 12/18/23 with majority recorded on 12/19/23.
- The last ACH revenue receipt was recorded in SFO on 4/10/24 due to a hold being placed on three schools accounts until updated account information could be received. The funds were distributed to schools on 3/6/24 in the Hub.
- Check payments were received by 51 schools.
- The first checks were written for distribution to consortia schools on 12/19//23.
- The first check revenue receipts were recorded in SFO on 1/2/24.
- The last checks were written for distribution to consortia schools on 1/17/24.
- The last check revenue receipt was recorded in SFO on 3/26/24 due to school misplacing check until Internal Audit reached out.
- Four out of the six schools slightly increased or decreased checks sent to consortia schools so all would receive the same amount for a net effect of .10 cents.

March 6, 2024, 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, 22 of them, or 54 percent, were recorded in SFO in December, and 16, or 39 percent, were not recorded until January 2024. There were three schools that did not receive their ACH until early March due to accounts being placed on hold. It appears that the financial agents at the 16 schools who recorded their ACH receipt in January waited until receiving their December bank statement before recording the revenue 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 non-student-generated, allowing these funds to be used for activities such as staff development or other school needs.

MCPS currently has 211 schools and only 92, or 43.6 percent, receive any cell tower commissions. A total of 41 schools receive an ACH and 51 schools receive a check from their consortia school. Many schools lack funding sources to support school and student needs and would benefit from receiving additional revenues such as cell tower commissions. We are recommending that the sharing formula developed in 1997 be reevaluated to possibly include additional schools. In addition, we noted that funds for the Charles W. Woodward High School have not been shared due to the school not open at this time.

As of April 10, 2024, the total amount of \$447,140.58 for the FY 2024 cell tower revenue distribution has been reconciled with the Business Hub and SFO accounting records. No response to this audit report is required.

MJB:rg

Copy to:

Members of the Board of Education

Dr. Felder

Ms Edwards

Dr. Johnson

Mrs. Williams

Mr. Reilly

Mr. Adams

Mrs. Chen

Mr. Connelly

Mr. Kelley

Mr. Klausing

Mrs. Ripoli

Ms. Webb

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

December 5, 2023

MEMORANDUM

To: Susan B. Chen, Controller  
Division of Controller

From: Adrienne L. Karamihas, Director

Subject: Fiscal Year 2024 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 monopoles 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 \$447,140.58, 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:CL

Attachment

Location Code	MCPS Business HUB Supplier#	Consortium Schools:	FY2024 Award
321	204720	Blake High School	\$ 13,654.70
321	204720	Northeast Consortium	13,654.70
789	219464	Einstein High School	28,839.25
789	219464	DownCounty Consortium	28,839.25
815	210300	Kennedy High School	14,185.90
815	210300	DownCounty Consortium	14,185.90
796	212394	Northwood High School	25,737.30
796	212394	DownCounty Consortium	25,737.30
798	203385	Springbrook High School	23,296.86
798	203385	Northeast Consortium	23,296.86
782	218708	Wheaton High School	13,614.92
782	218708	DownCounty Consortium	13,614.92
Location Code	MCPS Business HUB Supplier#	Cluster Schools:	FY2024 Award
111	207355	Daly Elementary School	\$ 13,081.85
249	205206	Clarksburg High School	1,744.24
345	292357	Hallie Wells Middle School	872.12
707	217144	Rocky Hill Middle School	1,744.24
703	209339	Cedar Grove Elementary School	872.12
101	221068	Clarksburg Elementary School	872.12
106	208410	Fox Chapel Elementary School	1,744.24
337	263677	Gibbs Elementary School	872.12
336	207219	Little Bennett Elementary School	1,744.24
347	306889	Snowden Farm Elementary School	872.12
341	283374	Wilson Wims Elementary School	1,744.24
510	215850	Magruder High School	12,491.39
562	212478	Redland Middle School	1,561.42
521	214378	Shady Grove Middle School	1,561.42
508	220317	Candlewood Elementary School	1,561.42
511	209471	Cashell Elementary School	1,561.42
549	203340	Flower Hill Elementary School	1,561.42
556	211001	Mill Creek Towne Elementary School	1,561.42
514	218310	Resnik Elementary School	1,561.42
565	211780	Sequoyah Elementary School	1,561.42
503	208979	Sherwood High School	43,899.25
507	204991	Farquhar Middle School	6,271.32
155	208970	Rosa M. Parks Middle School	6,271.32
513	214876	Belmont Elementary School	6,271.32
518	201449	Brooke Grove Elementary School	6,271.32
512	203001	Greenwood Elementary School	6,271.32
502	218192	Olney Elementary School	6,271.32
501	217173	Sherwood Elementary School	6,271.32
232	206133	Tilden Middle School	
424	202879	Walter Johnson High School	
413	209885	North Bethesda Middle School	
425	211967	Ashburton Elementary School	
219	211278	Farmland Elementary School	
204	216347	Garrett Park Elementary School	
783	219030	Kensington Parkwood Elementary School	
220	215495	Luxmanor Elementary School	
422	205226	Wyngate Elementary School	
545	213431	Watkins Mill High School	34,768.92
557	208166	Montgomery Village Middle School	6,321.62
115	216488	Neelsville Middle School	3,160.81
564	203090	South Lake Elementary School	6,321.62
568	200661	Stedwick Elementary School	6,321.62
561	216116	Watkins Mill Elementary School	6,321.62
558	213361	Whetstone Elementary School	6,321.62
<b>Totals</b>			<b>\$ 447,140.58</b>