MEMORANDUM

To: Mr. Damon A. Monteleone, Principal
Richard Montgomery High School

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

Subject: Report on Audit of Independent Activity Funds for the Period of April 1, 2015, through May 31, 2016

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. 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 IAFs are administered in accordance with MCPS policies, regulations, and procedures.

IAF audits are conducted regularly to evaluate compliance with MCPS 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 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 there is compliance with MCPS policies, regulations, and procedures, and that any significant errors or omissions in the financial records are detected.

In our meeting on June 22, 2016 with you, Ms. Ozmara Hernandez, school business administrator, and Mrs. Jennifer Yu, school financial specialist, we reviewed the status of the conditions described in our prior audit report dated June 23, 2015, and the status of present 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.

Findings and Recommendations

Students may be charged course fees approved by the Office of School Support and Improvement (OSSI) for materials required for a course that are either consumed by the student or become the
personal property of the student. However, students may not be charged for general instructional materials required to demonstrate mastery of course objectives (see attached memorandum). We noted balances accumulating in the science accounts indicating that students had been charged more than necessary. We recommend that staff review student fee guidelines to more closely align approved fees assessed with the cost of materials to preclude accumulation of excess balances.

Summary of Recommendations

- Course fees should be commensurate with course expenses.

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, please provide a response to the Internal Audit Unit within 30 calendar days of this report, with a copy to Dr. Debra S. Munk, director of school support and improvement of high schools. OSSI will follow up on this audit.

RWP:MJB:ish

Attachment

Copy to:
Dr. Navarro
Dr. Statham
Dr. Zuckerman
Dr. Williams
Mrs. Chen
Mrs. DeGraba
Ms. Diamond
Dr. Munk
Mr. Ikheloa
This e-mail message has been approved for distribution by Dr. Kimberly A. Statham, deputy superintendent, school support and improvement. No hard copy will be provided.

ACTION DUE BY: October 10, 2014

Office of School Support and Improvement
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

August 1, 2014

MEMORANDUM

To: High School Principals

From: Christopher S. Garran, Associate Superintendent of High Schools

Subject: ACTION: Course-related Fees

Summary
Thank you for your ongoing attention and adherence to the course-related fees guidelines. The following resources are attached for your use as needed:

- Guidelines for Secondary Course-related Fees (Attachment A)
- Questions from the High School Principals' Meeting, Course-related Fees, February 4, 2009 (Attachment B)
- Model letter that can be used to inform parents about high school fees and supplies for the 2014-2015 school year (Attachment C) with translations into Chinese (Attachment D), French (Attachment E), Spanish (Attachment F), Korean (Attachment G), and Vietnamese (Attachment H), along with directions for inserting dates (Attachment I)
- Model statement regarding use of and charges for student planner and agenda books, if applicable (Attachment J), with translations into Chinese (Attachment K), French (Attachment L), Spanish (Attachment M), Korean (Attachment N), and Vietnamese (Attachment O)

Action
- Review the attached Guidelines for Secondary Course-related Fees (Attachment A).
- More information will be sent to you this fall as we work to refine the submission and review process for requested changes to course-related fees.
- In the meantime, all requests for changes to course-related fees for 2015-2016, including fees for new courses, should be submitted to Mrs. Susan (Sue) R. Oehmig, Office of School Support and Improvement, via e-mail, on or before October 10, 2014, so the course fees can be considered for approval in preparation for the 2015-2016 course catalog. You will be notified of a decision by October 31, 2014.

Questions
- Please contact Ms. Ruchelle Reuben, executive director, Office of School Support and Improvement, via e-mail or at 301-315-7366.
CSG:sro

Attachments

Copy to:
  Executive Staff
  Mrs. Collins
  Mr. Creel
  Mrs. Dawson
  High School Administrative Secretaries
  Mrs. Oehmig
  Dr. Steinberg
  Mr. Koutsos

Approved: [Signature]

Kimberly A. Statham, Deputy Superintendent, School Support and Improvement
Guidelines for Secondary Course-related Fees

General Guidelines Regarding Course-related Fees

- Every school provides without charge the textbooks, supplementary readers, audio/visual aids, stationery, and materials of instruction necessary to teach the curriculum or needed by the students to demonstrate mastery of the curriculum.
- A definition of these terms has been established and used to determine whether or not a fee may be charged. These terms were drawn from legal, policy, and regulatory mandates.
- A waiver is available for any student fee.
- Each principal will determine, in collaboration with the school leadership, if allowable fees will be charged and set the amount of the fee at that school (up to the allowable maximum). No school is required to charge students allowable fees nor are schools required to charge a set amount, as long as the identified fee is below the allowable maximum.
- Any allowable fee must be for the cost of the item (rounded to the nearest dollar for ease of accounting)—no overcharge may be assessed to paying students to offset the costs absorbed by the school for students who are unable to pay.
- A general fee cannot be charged; fees need to be specific. No fee may be charged to a student population unless the entire student population assessed the fee benefits from it. Parents must be informed of the specific reason for which the fee will be charged.
- All fees should be published in the course catalog at the time of student registration for the course.
- If a student damages or loses an assigned item, the student incurs a financial obligation for repair or replacement costs.
- Students may be charged transportation and associated fees for a field trip but not in advance as a course fee. The amount charged should be the expense (bus, admission, chaperones, substitutes—if required, etc.) divided by the number of students expected to attend. Although the final student cost may be rounded to the nearest dollar for ease of collection, no overcharge may be assessed to paying students to offset the costs absorbed by the school for students who are unable to pay. Please note the following for music students:
  - A music festival is considered a field trip and students may be charged transportation and other associated fees but not in advance as a course fee.
  - Students cannot be required to go to festivals.
  - If a performance before an audience is needed to assess mastery, a concert should be held at the school.
- Fees may be charged by outside organizations for their services. Examples of these are as follows:
  - International Baccalaureate
  - Advanced Placement
  - Academy and industry certifications
Textbooks and Supplementary Readers

- Textbooks and supplementary readers are defined as the primary or secondary source or sources directly used in instruction.
- It is the school’s responsibility to provide textbooks and/or supplementary readers without cost to the student.
  - Examples of supplementary readers are as follows:
    - Atlas if required for instruction and mastery
    - Core novel
    - Anthology
    - Dictionary
- Workbooks that are necessary to teach the curriculum and/or which students need to master the curriculum are considered as textbooks. (See Policy IIB, Evaluation and Selection, and Regulation IIB-RA, Evaluation and Selection of Instructional Materials and Library Books.)
  - The approval process requires five signatures, including the program supervisor, on Form 365-25; Record of Evaluation for Instructional Materials.
  - Schools deciding to require the use of an allowable workbook may not charge a fee for the workbook.
  - Students may choose to purchase suggested workbooks that are not used for classwork, homework, or practice tests in school. If a purchase option is available, teachers must emphasize that purchasing the workbook is an option, not an expectation or requirement. Examples include the following:
    - AP Prep Workbook (in the AP course)
    - SAT Prep Workbook (in SAT prep course)

Audio/Visual Aids

- Audio/visual aids are defined as equipment used by a teacher to deliver the curriculum.
- It is the school’s responsibility to provide audio/visual aids without cost to the student.
  - An example of an audio/visual aid is head phones.

Stationery

- Stationery is defined as paper and writing utensils not commonly found in the home and required for the student to demonstrate mastery of course objectives.
- It is the school’s responsibility to provide stationery not commonly found in the home and required for the student to demonstrate mastery of course objectives without cost to the student.
  - Examples of stationery are as follows:
    - Highlighters
    - Pencils, colored
    - Post-it notes
- Students may be asked to bring paper and writing utensils commonly found in the home to school as personal supplies.
Guidelines for Secondary Course-related Fees

School Supplies

- School supplies are defined as building or office materials needed to operate schools.
- It is the school’s responsibility to provide school supplies.
  - Examples of school supplies are as follows:
    - Dry erase markers
    - Facial tissue
    - Paper towels
    - Pencil sharpener
    - Three-hole punch
    - Toilet paper

Materials of Instruction

- Materials of instruction are defined as items needed by the educator to teach the course content and/or items needed by the student to demonstrate mastery of the course content.
- Students may not be charged for materials of instruction unless, as noted below:
  - The materials are used to create a product eaten by the student.
  - The materials are used to create a product that becomes the property of the student.
  - The materials become the personal property of the student for reasons of personal hygiene or industry requirements.
- Examples of materials of instruction for which a fee may not be charged are as follows:
  - Cooking utensils
  - General art supplies
  - Hammers, saws
  - Jump drive/memory stick
  - Photography chemicals
  - Science lab materials
  - Sheet music
- Examples of materials of instruction for which a fee may be charged are as follows:
  - Art frames and canvas
  - Balsa wood kit
  - Cooking ingredients
  - Sculpting clay
  - Textiles and textile kits
  - Trades kit
- Some items may be materials of instruction for in-class work but also provided by the parent for homework or individual use. These items are commonly found at home or available in many stores. For example, if students are using scissors or a simple compass or protractor for an in-class lesson, the items are materials of instruction and must be provided by the school for in-class use. If a student is using scissors or a simple compass or protractor to complete a homework assignment—those are personal supplies provided by the parent to support his/her child’s learning.
- Specific materials of instruction for which fees were previously allowed have been examined according to the current definitions and changes to standard operating procedures may be required.
  - Graphing Calculators—Students should be encouraged to purchase their own graphing calculator for their academic career.
    - If a student cannot purchase a graphing calculator, one will be loaned to the student for the duration of the course.
    - Students may be required to make a 50 percent deposit fee on a graphing calculator for use during the course.
The deposit will be returned to the student at the end of the course as long as the calculator is returned in proper working condition.

As an alternative, schools may loan the calculator without charge, but assess an obligation (for the cost of the calculator only) if the calculator is lost or damaged.

- Music Groups’ Clothing—Band uniforms and/or show choir robes/outfits will be loaned to students.
  - A fee for dry cleaning may be charged in advance.
  - A charge for repairs may be assessed after review of the condition of the item when it is returned.
  - Whenever possible, schools should be encouraged to require informal concert attire that individual students have or can easily acquire, such as black pants or skirts and white shirts or blouses.
  - Schools will be provided money on a cycle for purchase of band uniforms.

- Musical Instruments—Schools should have a reasonable selection of musical instruments on hand for student use free of charge.
  - If a student’s preferred instrument is unavailable, a student has the option of renting the preferred instrument from a music store.

- Physical Education Locker Room Locks—Physical education locker room locks are provided by MCPS for security reasons.
  - Students will be assigned a lock for use during the school year. If a student does not return the lock at the end of the course, the student incurs a financial obligation.

- Physical Education Towel Fee—A towel fee may not be charged.
  - Schools are not required to provide towels.
  - A student may bring a towel if desired.

**Individual Student Organizational Tools and Personal Supplies**

Parents remain the most important partner a classroom teacher has for preparing a student to learn. Parents equip students with important organizational tools for success in class.

- Students may be expected to bring individual organizational tools and personal supplies from home.

- Each school may decide the items recommended for students to bring from home.

  - Examples of individual organizational tools and personal supplies that may be supplied by the parents are as follows:
    - Eraser tops of #2 pencils
    - Hole punch, for notebook
    - Jump drive/memory stick
    - Notebook dividers
    - Pencil pouch, zippered
    - Pencils, #2
    - Pens, ballpoint
    - Personal binders/notebooks
    - Personal spiral/composition book
    - Pocket folders

- Some items may be provided by the parent for homework or individual use but also provided in class sets by the school for in-class work. These items are commonly found at home or available in many stores.
Guidelines for Secondary Course-related Fees  5

- Student Planners—If a planner is used in the school’s procedures as a hall pass, it must be provided without charge. Grades may not be given for student planner checks.

Waiver of Fees Form

Students and parents are not required to provide documentation to justify a waiver.
- Teachers have a role and responsibility to advocate for a student through the waiver process.
Questions from the High School Principals’ Meeting
Course-related Fees
February 4, 2009

1. Can we assume that if a textbook is approved, then the related workbook is approved?

*Response:* Yes. The workbook will be approved and will have gone through the same evaluation and selection process as the textbook.

2. If we are using a vocabulary book, we understand that we have to provide the first book. What if a student loses the vocabulary book? Is this an obligation?

*Response:* Yes. When a student has lost, destroyed, or damaged a book that the school has assigned to him/her, the appropriate obligation will be assigned.

3. The SAT class uses a workbook. What if a student wants to purchase a workbook so he/she can write in it?

*Response:* There are various scenarios. One scenario is that the school provides a workbook to each student in the SAT class and students may write in the workbook. The second scenario is that each student is provided a workbook but may not write in the workbook, and students use their own paper for responding to questions. In this instance, if a student prefers to purchase the workbook so he/she may write in it, the student may be given this option to purchase the workbook at cost (if the workbooks are available). Teachers must emphasize that purchasing the workbook is an option, not an expectation or requirement.

4. Career and Technology Education—certification/assessments? If a student is paying an outside entity, can we still collect the money?

*Response:* Yes. The school may collect the funds, but it must be placed in a specific sub-account designated for a particular entity/company, e.g., Cisco. The check may be made to the outside entity.

5. Will fees be the same throughout the county?

*Response:* Designated courses will have a maximum fee amount that may be charged (not to exceed the actual cost of the item). Schools will have the option of not charging any fee or charging up to the maximum fee amount allowed for a designated course. This enables school administrators and school leadership the autonomy to align their resources based on individual instructional programs and needs of each school.

6. When will we get the fees associated with courses?

*Response:* You will receive the final list of fees associated with courses prior to winter break.

(Revised August 1, 2014)
7. AP courses—What if teachers still want to provide the workbooks?

*Response:* If the workbook is used for classwork or homework and is part of the student’s grade, then it needs to be provided, or a classroom’s set can be provided with the option for students to purchase their own copies.

8. Do “Post Its,” scissors, rulers, and index cards (for research papers) all need to be provided by the school?

*Response:* These items are considered to be commonly found at home and do not need to be provided. If a student is unable to obtain any of these items, arrangements should be made between the teacher and student. If the item is to be used solely for an in-class instructional activity, such as modeling how to use an index card as an organizational tool for preparing a research report, the school should provide these materials as they would be considered materials of instruction for that lesson.

9. Agenda books? Can schools charge for agenda books?

*Response:* Yes, as long as the agenda book is not part of a student’s grade, and it is not used as a hall pass. Fees may be charged if the item is not required. For example, all ninth graders are encouraged to obtain agenda books as an organizational tool, but are not required to obtain the agenda book. Please note that the basis for not charging a fee for a required agenda book has nothing to do with course-related fee guidelines.

10. Can a school request that students provide their own locks for PE?

*Response:* Students may provide their own lock (this is a local school decision), or you may assign and dispense a lock and require a $5 deposit. This deposit would be returned when the lock is returned at the end of the semester or school year. As an alternative, schools may loan the locks without charge, but assess an obligation (for the cost of the lock only) if the lock is lost or damaged.

11. How will we know that the student is eligible for a waiver? Can we follow up with parents?

*Response:* We are not requesting any verification of hardship for a waiver request. Generally speaking, once a parent, student, or staff member requests a waiver for a student, you should not question the request. However, if a student asks for a waiver and you have reason to believe that this family is not in need of this accommodation, using your judgment and being sensitive, you and/or a designee may call the parent and verify that they are asking for this waiver.

12. Next year’s seniors will have accrued obligations under the current course-related fees guidelines. Can we hold these students responsible for these accrued obligations even though the obligations were accrued under guidelines that are no longer applicable?
Response: Those obligations that were accrued under the guidelines in place prior to the 2009–2010 school year and not satisfied prior to July 1, 2009, can be carried into the following year. These obligations were accrued under the governing course-related fees guidelines at the time and are not automatically dismissed solely because MCPS has modified and initiated new course-related fees guidelines.

13. Schools have varying amounts of FARMS students. Will all schools receive the same flat rate or will there be a varying amount based on the poverty level of the school?

Response: For FY 2010, allocations will be $22 per high school student. It is important to use the waiver forms as this information will be reviewed to determine if adjustments to the allocations for individual schools need to be made in the future.

14. What if a student loses multiple textbooks—can a student request a waiver on his obligations for the lost textbooks at the end of the year?

Response: No. However, should a situation arise where a student cannot pay for his or her lost textbook, a payment schedule should be considered. As with similar situations, this decision must be made with sensitivity and use of your judgment.
# Fiscal Management Action Plan

**School:** Richard Montgomery High School  
**Principal:** Damon Monteleone  
**Approved by associate superintendent:**  
**Date of approval:**

<table>
<thead>
<tr>
<th>Findings and Recommendations</th>
<th>Description of Resolution And Person(s) Responsible</th>
<th>Timeline</th>
<th>Evidence of Completion</th>
</tr>
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</table>
| Course fees should be commensurate with course expenses: Refer to memo dated 8/1/14 regarding course-related fees. | The school business administrator will meet with staff responsible for collecting class fees to go over the guidelines for secondary course-related fees.  
The financial specialist will monitor class fee IAF accounts closely and bring any abnormalities to the business administrator  
The school business administrator will hold meetings with sponsors not following the process to go over the proper guidelines for collecting fees  
School business administrator will monitor repeat offenders' transactions to make sure that the proper process is being followed. If the issue persists, the principal will be informed by the business administrator  
The principal will meet with the staff member so he can pursue a range of possible consequences depending on the seriousness of the issue. | On going | Follow up meeting with e-mail to staff  
Sign-in sheet indication that Staff met with SBA  
Email to SBA  
Documentation  
Documentation  
Documentation |