


Office of Shared Accountability  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

May 10, 2016

MEMORANDUM

To: Dr. Barbara A. Jasper, Principal  
Sequoyah Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period  
April 1, 2013, through March 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 May 6, 2016 with you, Mrs. Carrie Zimmerman, assistant principal, Mrs. Cory Herzog, administrative secretary, Mrs. Jennifer Brooking, reading specialist, and Ms. Paula Summers, staff development teacher, we reviewed the status of the conditions described in our prior audit report dated June 28, 2013, 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

MCPS Form 280-54, *Request for a Purchase*, is used to obtain principal approval to proceed with an intended purchase. The purpose of each disbursement must be fully explained on this form in order to properly record expenditures in appropriate accounts, and to ensure that expenditures comply with IAF requirements. Invoices for goods or services must be signed and dated by the purchaser to indicate satisfactory receipt. Supporting documentation must be stamped "Paid" once the check has been issued. In our random sample of disbursements, we found that invoices were not always signed

by the receiver and supporting documentation was frequently not stamped "Paid" after the check was issued. We recommend that invoices be signed, dated and marked received by the purchaser to indicate satisfactory receipt of goods or service. After checks are issued, purchase supporting documentation should be stamped "Paid."

Cash and checks collected for IAF activities by sponsors and other authorized individuals must be remitted with MCPS Form 280-34, *Remittance Slip*, to the administrative secretary on the day the funds are received. We found instances in which staff collecting funds for field trips were holding funds rather than remitting them timely to the administrative secretary. Occasionally the administrative secretary was not making timely deposits; holding money in excess of permitted amounts. We recommend that all staff who collect funds for school activities be reminded of remittance requirements (see MCPS Financial Manual p. 7-4). To minimize the risk of loss and provide assurance that funds will be available to meet school needs, all funds collected should be remitted to the administrative secretary daily (see MCPS Financial Manual, p. 7-4). Cash handling by sponsors and financial agents can be reduced by using the Online School Payment system. All remittances on hand should be deposited whenever funds exceed the permitted amount and always before each weekend or holiday.

#### Summary of Recommendations

- Purchaser must confirm receipt of goods or services prior to disbursement;
- Documentation supporting purchases must be stamped or marked "Paid;"
- Funds collected by sponsors must be promptly remitted with MCPS Form 280-34 to the administrative secretary (repeat); and
- Remittances must be verified and receipted for prompt deposit in the bank by the administrative secretary.

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 office within 30 days of this report, with a copy to Dr. Sarah Sirgo, director of elementary schools. The Office of School Support and Improvement will follow up on this audit.

RWP:SY:sd

Copy to:

Dr. Zuckerman	Mrs. Chen
Dr. Statham	Mrs. DeGraba
Dr. Navarro	Mrs. Milwit
Dr. Kimball	Dr. Sirgo




**Sequoyah Elementary School**  
17301 Bowie Mill Road, Derwood, Maryland 20855  
Phone: (301) 840-5335 Fax: (301) 840-5356

---

May 13, 2016

**MEMORANDUM**

To: Mr. Roger W. Pisha, Supervisor  
Internal Audit

From:  Bobbi Jasper, Ph.D.  
Principal, Sequoyah Elementary School

Subject: Response to Report on Audit of Independent Activity Funds for the  
Period April 1, 2013, through March 31, 2016

This memorandum is my action plan for addressing the findings on the "Report on Audit of Independent Activity Funds" dated May 10, 2016.

- It will be emphasized to staff that all cash and checks collected by sponsors and other authorized individuals for IAF activities must be remitted to the administrative secretary on the day they are received and must be accompanied by MCPS Form 280-34, *Remittance Slip*. We will review the procedures referenced in the MCPS Financial Manual with all staff members during pre-service days with repeated reminders throughout the year.
- Remittances will be verified and receipted for prompt deposit by the administrative secretary. Given that Sequoyah has a safe, no funds will be kept over the allowed limit. When submitting a Request for a Purchase, MCPS Form 280-54, staff will be required to provide greater detail for the request to ensure that expenditures comply with IAF requirements.
- Invoices for goods or services will be signed, dated and marked "Received" indicating satisfactory receipt of goods or service. Once the check has been issued, the invoice or other supporting documentation will be stamped "paid."

Mrs. Cory Herzog, administrative secretary, and I will work together to see that these matters are satisfactorily resolved. I am confident that Mrs. Herzog and I will keep the staff on task regarding these important matters.

BAJ/ch  
Copy to:  
Dr. Sirgo