

Prince George's County Public Schools
 Internal Audit Department
 School/Office: Potomac HS

Response Date 10/4/19

Findings	Recommendations	Concur Non- Concur Partially Concur	Action Plan	Corrective Action Date	Status Implemented Partially Implemented Not Implemented
1. <u>2020.01:</u> <u>Delinquent</u> <u>Deposits</u>	Staff members must be reminded, through documented communication, about the specific requirement for teachers to remit funds daily. The principal should also provide oversight to ensure that bank deposits are made promptly.		Review See Attach	10/4/19	Implemented
2. <u>2020.02:</u> <u>Mismanagement</u> <u>of Disbursements</u>	A. All staff members must be reminded through written communication that, the principal's approval must be obtained prior to obligating the school financially. B. The recordkeeping staff must begin to verify and indicate the account balance on the SFEF prior to presenting it to the principal for approval. The principal must hold the recordkeeping staff accountable for compliance. C. The recordkeeping staff should consult with the SAF Administrator for guidance on how to account for every check in the accounting system and ensure that all checks, issued or voided, are recorded in the financial system.		Review	10/4/19	Implemented
3. <u>2020.03:</u> <u>Delinquent</u> <u>Financial</u> <u>Reporting</u>	The recordkeeping staff should ensure that bank reconciliations are completed within 7 days of receiving the statement from the bank and that all financial reports are presented to the principal for review by the 15th day of each month. The principal should hold the		Bank reconciliations will be processed within 7 days of receiving the bank statement and all financial reports will be reviewed by the 15 th of each month.	10/4/19	Implemented

Principal Signature 

Date 10/4/19

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	<p>recordkeeping staff accountable for timely report submission and perform a thorough review of the monthly financial reports as evidenced by signature.</p>			
4.	<p><u>2020.04:</u> <u>Noncompliance with Vending Policies</u></p>	<p>A. Contact the vending company to request that the contract be amended to reflect the contract period required by the APM. B. Contact the vendor to request placement of a timer on the vending machines making them accessible to students only during allowable periods as specified by the federal government.</p>	<p>Contacted vendor waiting for updated contract</p>	<p>10/3/19</p> <p>Partially Implemented</p>
5.	<p><u>2020.05:</u> <u>Delinquent Payment of Invoices</u></p>	<p>The recordkeeping staff must remind staff members that invoices and receipts must be obtained from the vendors and submitted for payment within 30 days of purchase.</p>	<p>Review</p>	<p>10/4/19</p> <p>Implemented</p>
6.	<p><u>2020.06: End of Year MTF Envelope Submission Procedures Not Followed</u></p>	<p>The principal must ensure that, the end-of year MTF envelope submission procedure is added to the checklist for the school's end-of-the school year procedures. Each staff member must be provided their respective "Receiptee History" Report prior to the last day of school to allow adequate time to locate and submit remittance copies as required by the APM. The principal should provide oversight of this process to ensure staff are compliant.</p>	<p>Already implemented on teacher checkout sheet (18/19) Attached</p>	<p>10/4/19</p> <p>Implemented</p>

Principal Signature _____

John R. H.
10/4/19

Date _____

10/4/19

BANKING AND BOOKKEEPING PROCEDURES

The processes below describe tasks related to cash receipts.

1. Collecting Funds: Completing the Monetary Transmittal Form (MTF)

Staff members collecting money are required to complete a Monetary Transmittal Form (see Exhibit E on the following page) and submit it to the Bookkeeper along with money collected.

The MTF must be completely filled out with the following information. 1) who collected money; 2) when it was collected; 3) from whom it was collected; 4) the amount and form of the collection; and 5) the reason for collecting. If additional space is needed a Student Remittance Report, Excel spreadsheet, class list, receipts, or ticket/report stubs, can be used as an attachment.

The MTF is a three-part, pre-printed, pre-numbered, self-carboned PGCPS form that is available from the Bookkeeper. Each school is issued unique, numerically sequenced packages of MTF forms by Internal Audit, as needed. The Bookkeeper is responsible for accounting for all forms issued to schools.

A MTF log is required and maintained by the Bookkeeper to include a numerical list of the MTF's, the name of individuals and dates the forms were issued, the date returned to the Bookkeeper, and the total amount of the MTF.

If someone makes a mistake on a MTF form or it is unusable for any reason, the form should be marked 'Void' and be retained by the Bookkeeper. These forms should never be discarded or destroyed.

At the top of the MTF are specific instructions for completing the form. The person collecting funds is responsible for filling in all required information, including signing and dating the form. The exact make-up of the funds and the total amount being submitted to the Bookkeeper must be itemized on the MTF and the grand total on the MTF must agree with the total on the Student Remittance Report.

The pink copy of the MTF is retained by the preparers of the form. The white and yellow copies are submitted to the Bookkeeper with cash. After approving a MTF, the Bookkeeper returns the yellow copy to the originator.

Prior to departing at year-end, faculty and program managers are to submit the pink and yellow copies of the MTF(s) in a sealed envelope (with their signature over the seal) to the designated administrator.

The Bookkeeper will print the *SFO RECEIPTEE HISTORY REPORT* and submit it to a designated administrator. This alerts the administrator which MTF envelope packages to expect.

All forms described should be completed in ink. Correcting errors using correction fluid, "whiteout" or any other method that obscures the original entry on the form is not permitted. Staff members receiving money from students and others are responsible for documenting the funds received. Only PGCPS employees are authorized to collect activity fees. In most cases this person will be the classroom teacher, but could also be a club sponsor, activity chair, etc. When collecting money, the source and amount of funds, as well as the purpose the funds are to be used for, should be documented. Receipts can also be provided to students upon request and used as supporting documentation, as long as the yellow copy of the receipt is legible.

2. Inclusion of Supporting Documentation

All checks must have itemized documentation attached to the School Funds Expenditure Form that supports the amount of the check. Examples of supporting documents are cash register receipts, invoices, bills of sale, etc. Examples of documents that are not itemized invoices or receipts include credit card receipts, statements, order confirmations, price quotes and packing slips. Invoices should be paid within 30 days of receipt. The Principal should review invoices and statements for past due amounts and ensure that payments are made in a timely manner.

In cases where the SAF is used to purchase goods or services that will be paid for from another funding source (i.e., school operating resources, grant funds), the school may have to relinquish the original supporting documentation to another office. In such cases, the school should retain a legible copy of the original, itemized supporting documentation and record the reason for not having retained the original. Ideally, a scanned copy should also be retained.

On occasion, a situation may arise that requires a check to be issued before an expense has occurred. The Principal should minimize the frequency of such occurrences in order to enhance control and promote orderly record keeping. These situations are to be treated as advances to staff, who must sign a statement acknowledging receipt of the advance. A stipulation should also require return of itemized receipts for the amount advanced. If less than the full amount of the check is documented on receipts, the staff member must return the unused funds to the school, complete a MTF, and submit the difference to the Bookkeeper. Accounting for these funds should be completed within two (2) business days.

3. Use of Board Approved Vendors

All checks must be written to an Approved/Active vendor in *SchoolFunds Online*. The only exceptions are for staff reimbursements and parent refunds. For checks reimbursing staff, the vendor is REIMBURSEMENT; for checks refunding a parent, the vendor is REFUND. A one-time Vendor Request Form (see Exhibit G on the following page) for charities (only) can be submitted to Business Operations for approval. All one-time vendor accounts become inactive one week after approval. At no time should REIMBURSEMENT OR REFUND, be used to pay unapproved vendors in *SFO*.

All funds collected must be submitted to the Bookkeeper on the same day collected, along with a completed MTF, as described above. School personnel are prohibited from removing money from school premises.

submitted. When discrepancies are noted, the Bookkeeper must immediately contact the individual who submitted the MTF. If corrections are necessary, the originator of the MTF must make the correction by drawing a line through the original entry and rewriting the correct entry next to the incorrect entry. The reason for the correction (e.g., "transposition of numbers", arithmetical error", etc.) must be noted on the MTF and the originator must sign the correction. Errors are never corrected using whiteout or any other method that obscures the original value on the form.

EXHIBIT F

Prince George's County Public Schools

School _____

SCHOOL FUNDS EXPENDITURE FORM

Request & Pre-Approval

Date of Request _____

Request made by _____
Staff Member

Description of item(s) to be purchased _____

Total Estimated Cost _____

Purpose of Expenditure _____

Funds Available _____
Bookkeeper to determine amount

Authorized and Approved by _____
Principal's Signature & Date

Payment Information

Original Itemized Documentation Must Be Attached

Prince George's County Public Schools-MD State Sales Tax Exemption #3000124-3

Date of Purchase _____

Purchased From _____

Make Check Payable To _____

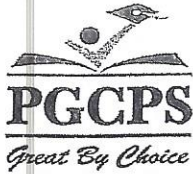
Authorized & Approved By _____
Principal's Signature & Date

Office Use Only

Check Number _____

Check Date _____

Account To Be Charged _____



ATTACHMENT IV
ADMINISTRATIVE PROCEDURE

FUNDRAISING

5135.1

Procedure No.

January 22, 2016
Date

- I. **PURPOSE:** To provide direction to school principals in the area of fundraising, or the process of gathering voluntary contributions of money or other resources.
- II. **POLICY:** This procedure is in accordance with Board of Education Policy 5135, *School-Based Fund Raising*. The terms fund raising and fundraising are used interchangeably.
- III. **PROCEDURES:** Fund raising is conducted in the schools in accordance with applicable Board of Education Policy. The following procedures must be followed when raising funds at the local school level.
 - A. The principal will advise staff, students, and the community through teacher bulletins, parent newsletters, and other forms of communications of the need for fundraising and other appropriate information that would assist staff, students, and the community in understanding the finances involved.
 - B. The standard in-house Fundraiser Authorization Form (Attachment 1) will be used to request authorization to proceed with a fundraising activity when the fundraising activity is handled by anyone other than the principal.
 - C. The approved Fundraiser Authorization Form must be returned with the contract, if any, to be signed by the principal. The approved date must be part of a yearly calendar being followed to establish priority school needs and control the number of fundraisers.
 - D. Refer to Administrative Procedure 5135.2, *Principal's Contracting Authority*, for established monetary limits for contracts.
 - E. Fundraising purposes shall be specified and communicated for each fund raising activity or event, and separate accounting should be maintained for each in the same fashion as all other restricted accounts within the school's activity funds.
 - F. The unit cost and mark-up of any items sold for profit for fundraising activities of the school will be available in each school for staff and parent inspection (see Fundraiser Completion Report, Attachment 2).
 - G. At the end of each school year, the principal shall prepare a report summarizing all fund raising activities concluded during the year. This information will be available for review by parents and any other interested members of the community. The report will specifically state the net amount of funds retained as profit from such activities.

ATTACHMENT IV



FUND RAISER AUTHORIZATION FORM

TO: Principal
VIA: Bookkeeper/Financial Secretary

FROM: _____, Sponsor DATE: _____

- 1. Request authorization for the conduct of a fundraising activity as described below
- 2. Description of proposed fundraiser, including merchandise to be sold, vendor, name and address (attach brochure, if available.)

3. Purpose of the fund raiser and intended use of profits:

4. Dates: FROM: _____ TO: _____

5. Budget:

a) Estimated Receipts/income:	\$	_____
b) Estimated Costs/expense	\$	_____
c) Estimated Profit (a - b)	\$	_____

6. Will merchandise be purchased prior to fundraising activity? YES _____ NO _____

7. Will the fundraising company be responsible for cash collected? YES _____ NO _____

8. Will the fund raiser be commission based? YES _____ NO _____

9. Comments:

Recommendation by Financial Secretary:

Approve: _____ Disapprove _____

	_____ Signature	_____ Date
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Action Taken by Principal:

Approve: _____ Disapprove _____

	_____ Signature	_____ Date
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Instructions: This form must be completed and approved by the Principal prior to entering into any formal commitments with vendor(s). Contact with vendors prior to the approval is authorized to obtain merchandise and cost information. Once approved, this form must be returned with the vendor contract. Fundraising items are not subject to Maryland sales tax.

8.0 SALES TAX

The objective of this chapter is to provide information on taxable sales. In order to follow Maryland State laws and regulations regarding taxes owed for items resold, the school must serve as an agent of the State. Also discussed here are occasions when schools are exempt from paying sales tax.

8.1 Background

For most items that are purchased and then resold, a school must collect and remit taxes to the State of Maryland Comptroller's Office. The exception is fundraising sales. No sales tax is assessed on fundraising sales. Additionally, items purchased for school use are tax-exempt.

8.2 Guidance

Sales tax guidance is based on Subtitle 06, Comptroller of Treasury, Sales and Use Tax, Code of Maryland Regulations; Maryland House Bill (HB) 232, *Sales and Use Tax Exemption - Parent-Teacher Organization Fundraisers*; and Administrative Procedure 5137, *Sales Tax*.

8.3 Procedures

Purchases made by schools and PGCPS are tax-exempt, if used in the conduct of school business. The Maryland Sales and Use Tax Exemption Number is 30001243. After the Principal pre-approves a School Funds Expenditure Request Form, a copy of the certificate is provided the individual for presentation to the vendor when making the school purchase.

Sales tax will not be reimbursed if paid when purchasing items for education purposes. Personal items should be purchased on a separate receipt so as not to commingle school and personal expenses.

When a school engages in the resale of items, adherence to Maryland Comptroller of the Treasury regulations is required. This involves collection and remittance of sales tax for merchandise sold that is not fundraising-related. To do so, schools must have a separate sales and use tax license and account. For purpose of completing a license-application, the school system's Federal Taxpayer Identification Number is 52-6000992.

HB234, *Sales and Use Tax Exemption for Parent-Teacher Organization Fundraisers*, was passed in 2013 to amend the Code of Maryland regulations. Tax-General Article § 11-204(b) exempts assessment of sales tax on fundraising proceeds by a parent-teacher organization or other non-profit organization within Maryland schools. This is the only exemption; it does not include other activities of in-house clubs and organizations that are not fundraisers.

A restricted account (460.00) exists in *SFO* to record sales tax collections and remittances. If sales tax is collected, the school must remit the amount to the State Comptroller, either monthly or quarterly depending on the State's requirements for your school. An electronic transmittal is the preferred method of payment, using the *bFile* under Business Taxpayers, on the State Comptroller's website at www.marylandtaxes.com.

POTOMAC HIGH SCHOOL TEACHER CHECKOUT SHEET ~ 18/19 SY

DIRECTIONS: *The appropriate person must sign off each item on the checkout sheet **BEFORE** final checkout is completed with Dr. Laney.*

NAME: _____ **ROOM:** _____

- _____ Mrs. Reed Flags (Labeled with your name and room #)
- _____ Mrs. Scott Self-addressed envelope for summer letter
- _____ Mrs. Scott Teacher Summer Employee Contact Form
- _____ Ms. Pierce Textbook Inventory Completed in Tip Web (**Department Chairs only**)
- _____ Dept. Chair Teacher's Guides, materials, supplies, equipment collected, inventoried and properly stored for the summer.
- _____ Ms. Dyer **Special Education Teachers** ~ file one copy of the closed IEP in each student's LAF on your caseload.
- _____ Mrs. Bright-
Mundell **Special Education Teachers** ~ End of the Year Close-out conference held.
- _____ Mr. Johnson Blank copy of each final exam and answer key for the course(s) you teach.
Student copies of the final exams are to be grouped by class/alpha order using manila envelopes provided.
- _____ Ms. Lundy Return all borrowed Media center materials and equipment.
- _____ Specified
Administrator Classroom and storage areas are completely cleaned (**A Building- Calvin, 1st Floor Main Building & B Building – Bright-Mundell, 2nd Floor Main Building – Smoak**).
- _____ Mr. Harvey Technology Equipment (mobile LCD Projectors, chrome book carts etc.) returned.
- _____ Mrs. Syers All Students' 4th Quarter grades entered in School Max.
- _____ Ms. Bullock Attendance (Corrections made to SY 18-19 daily attendance records) & sign School Max Verification Form for Grades & Attendance. (**Cannot be completed before 6/17/19 & must see Mrs. Syers FIRST in order to complete this step.**)
- _____ Ms. Pierce All Keys received in envelope provided with your name and room number noted.
- _____ Ms. Pierce Obligations (Lab fees, PE locks, AFROTC Uniforms, Sports Uniforms) entered in Google Doc provided.
- _____ Dr. Laney Fundraiser Summary Report (Completed if applicable)
- _____ Dr. Laney Monetary Transmittal Forms (must be in manila envelope received with your name written across the back of the envelope). **Do not seal!**
- _____ Dr. Laney Completed Checklist Submitted

All staff members will check out with Dr. Laney on Wednesday, June 19, 2019. All completed checkout sheets are to be submitted at the time of checkout.