

**Board of Education of Baltimore County
Office of Internal Audit**

**Project 4-2020.001
November 12, 2020**



**School Activity Funds (SAF)
3-Year Cash Analysis
Chesapeake Terrace Elementary School**

Distribution List:

Dr. Jennifer Mullenax
*Executive Director – Elementary
East Zone*

Shandra Patrick
Principal

Lisa Kotecki
Administrative Secretary

Andrea Barr
Chief Auditor

SAF 3-Year Cash Analysis

Chesapeake Terrace Elementary School

FY 17 Beginning Balance	FY 19 Ending Balance	Change in Cash Balance - Dollars	Change in Cash Balance – Percentage
\$13,736.38	\$33,030.56	\$19,294.18	140.46%

Analysis:

The increase in cash is due to changes in multiple accounts:

1. General School Account – Donations and Lifetouch commissions that totaled \$8,894.35 were posted to the account during the period July 1, 2016 to June 30, 2019.
2. Discretionary Account – Lifetouch commissions that totaled \$5,609.00 were posted to the account during the period July 1, 2016 to June 30, 2019.
3. Physical Education Account – A net profit of \$7,929.61¹ remained in the account after \$10,629.61 was collected for Jump-a-Thon fundraisers and \$2,700.00 was remitted to the American Heart Association.

Inquiry of School Personnel and Documentation Reviewed:

1. General School and Discretionary Accounts - Internal Audit reviewed the accounts with the principal and determined that the school intends to purchase cafeteria tables with the surplus in the General and Discretionary accounts. In March 2020, Lifetouch commissions posted in the General School account (\$2,376) were moved to the Discretionary account where they should have been initially posted. Additionally, the principal researched the source and purpose of the larger donations and worked with the Accounting Department to determine the proper use of the funds and to move the appropriate amounts to specific donation accounts. It is anticipated a plan will be in place to spend the funds as intended on or before April 30, 2020².
2. Physical Education Account – Internal Audit determined that a formal plan was not in place to spend the surplus as intended. The principal is currently working with the account sponsor and anticipates that a plan will be in place to spend the funds as intended on or before June 30, 2020². Internal Audit also determined the Jump-a Thon fundraiser was held during school hours, which is specifically prohibited by Superintendent Rule 3125. As result of our review, the principal is now aware of the policy and the school will no longer hold fundraising events during school hours.

Follow-up:

Internal Audit will conduct a follow-up to determine if management has successfully resolved the issues regarding idle funds.

¹ Profits are to be used for Physical Education Department equipment.

² Due to the COVID-19 Pandemic, this date has been extended into FY 2021.