

REGULATION

MONTGOMERY COUNTY PUBLIC SCHOOLS

Related Entries: DIA-RA, DIE-RA, DJA-RA, GHD-RA, JHC, JHC-RA

Responsible Office: Chief Operating Officer

Payments for Services and Reimbursements for Expenses from School Independent Activity Funds

I. PURPOSE

To establish guidelines and procedures for payments to employees, independent contractors and consultants, and students for services and reimbursements from Montgomery County Public Schools (MCPS) school-level Independent Activity Funds (IAFs). MCPS publishes detailed procedures, and designates persons responsible, for handling school IAFs.

II. DEFINITIONS

- A. *Expenses* are payments for goods that may include the cost of special clothing, equipment, or specialized educational materials used in the classroom or sponsored activity.
- B. *Independent Activity Funds (IAFs)* are funds that, unless otherwise specifically designated, are to be used for the benefit of the student body currently in attendance.
- C. *Independent contractors and consultants* are all persons receiving payments for services or expenses who are not MCPS employees or MCPS students.

III. PROCEDURES

- A. Payments to MCPS Employees
 - 1. Services
 - a. IAF payments to MCPS employees for work that is done outside the employee's duty day must be made according to MCPS pay rate guidelines and payroll processes.

- b. IAF payments for services performed by MCPS employees must be processed through the MCPS payroll system using MCPS Form 280-46, *Independent Activity Funds, Request for Payment to MCPS Employees for Services (work) performed*. Payroll procedures are published by the Employee and Retiree Service Center.
- c. Schools will be billed monthly for the payroll amounts incurred as a result of using the process set up by the Division of Controller. Schools are expected to make complete payments when billed. No school or activity should incur payroll costs without having sufficient resources to make payment.

2. Expenses

- a. MCPS employees may be reimbursed for approved expenses they incur on behalf of schools. MCPS Form 280-54, *Independent Activity Funds Request for a Purchase*, must be prepared and approved before any reimbursable expense is incurred.
- b. MCPS employees may be reimbursed for specified local and nonlocal travel expenses directly related to official MCPS business, as set forth in MCPS Regulation DIE-RA, *Travel for Montgomery County Public Schools (MCPS) Purposes*.

The principal/designee must authorize, in advance, expenditure of IAFs for nonlocal travel using MCPS Form 281-1, *Request/Accounting for Nonlocal Travel Funds*, and reimbursements are not to exceed the limits stated in MCPS Regulation DIE-RA.

- c. Direction for reimbursement of expenses is provided by the Division of Controller.

B. Payments to Independent Contractors and Consultants

- 1. Independent contractors or consultants working in schools must comply with all laws and MCPS requirements set forth in the *Procurement Manual*.
- 2. Payments for services to independent contractors or consultants who are not corporations must be properly reported to the Internal Revenue Service (IRS) by the Division of Controller. Before payment is made, the school must obtain a completed IRS Form W-9, *Request for Taxpayer*

Identification Number and Certification, if the vendor has not previously submitted. Directions for proper vendor identification prior to payment are provided by the Division of Controller.

C. MCPS Students

Prior to making a payment to a student, the Division of Controller must be consulted to address compliance with any Internal Revenue Service (IRS) or other requirements. If reporting to the IRS is required, the school must obtain, prior to payment, a completed IRS Form W-9, *Request for Taxpayer Identification Number and Certification*.

D. Audit

In its regular audits of the IAFs at each school, the Internal Audit Unit shall verify that the school has adhered to above guidelines and procedures. Such verification shall be accomplished on a test basis in accordance with generally accepted audit standards. Reports of audit work shall be distributed to the principal, the associate superintendent or appropriate executive-level administrator, and the superintendent of schools, as needed. Reports shall be available to the public on the MCPS website.

Regulation History: Regulation No. 280-1, July 24, 1981; directory information updated January, 1983; revised May 2, 1988; revised October 29, 2008; revised February 23, 2016.