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TEAM Academy Charter School

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New Jersey K to 12 Education

Collaborative Monitoring Report
November 2022

Charter School: TEAM Academy Charter School
County: Essex
Dates Monitored: May 9, 10, 11 and 12, 2022
Case Number: CM-06-22

Funding Sources:

Program	Funding Award
Title I, Part A	4,273,718
Title I SIA	0
Title II, Part A	0
Title III	21,648
Title III Immigrant	0
Title IV, Part A	0
IDEA Part B, Basic and Preschool	1,251,046
CARES ESSER I	2,302,359
CRRSA ESSER II (includes all subgrants)	11,783,394
ARP ESSER (includes all subgrants)	26,069,986
ARP IDEA Basic and Preschool	345,508
Perkins V	0
Total Funds	<hr/> 46,047,659 <hr/>

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Background

The Every Student Succeeds Act (ESSA), the Individuals with Disabilities Education Act (IDEA) and other federal education laws require local education agencies (LEAs - school districts and charter schools) to provide programs and services to schools within their local jurisdiction. The provision of these programs and services is based on the pertinent authorizing statutes specified in each of the federal education laws.

The laws further require that state education agencies, in this case, the New Jersey Department of Education (NJDOE) to monitor the implementation and execution of federal programs by the subrecipients. The monitors thereby determine whether the funds are being properly used by the charter school for their intended purposes and achieving the overall objectives of the funding initiatives.

Introduction

The NJDOE visited the TEAM Academy Charter School (TACS or charter school) virtually, except where noted, to monitor the charter school's use of federal funds. The NJDOE also examined related program plans, as applicable, to determine whether the charter school's programs are meeting the intended purposes and objectives, as specified in the current year's applications and authorizing statutes.

The goal of the monitoring is to determine whether the funds were spent in accordance with the requirement of each program, federal and state laws, and applicable regulations. The monitoring of TACS included staff interviews, as well as the review of documents and records related to the requirements of these programs:

- Title I, Part A (Title I);
- Title III;
- IDEA Part B - Basic and Preschool;
- Coronavirus Aid Relief, and Economic Security Act, Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES ESSER I);
- Coronavirus Response and Relief Supplemental Appropriations ESSER Fund (CRRSA ESSER II) and applicable subgrants;
- American Rescue Plan (ARP) ESSER and applicable subgrants; and
- ARP IDEA - Basic and Preschool.

The scope of work performed included the review of records and documentation which included:

- accounting records
- annual audits

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- board minutes
- grant applications program plans and needs assessments
- grant awards
- payroll records
- purchase orders
- student records

The scope of work performed also included interviews with:

- instructional staff to verify implementation of Individualized Education Programs (IEPs)
- child study team members and speech-language specialists
- the program administrator regarding the IDEA grant

In addition, a sampling of computing devices and equipment purchased with federal funds was selected and physically examined without exception.

Expenditures Reviewed

The grants and programs reviewed included Title I, Title III, IDEA Basic and Preschool, ARP IDEA Basic and Preschool from July 1, 2021 through March 31, 2022. In addition, CARES ESSER I, CRRSA ESSER II, ARP ESSER and all applicable subgrants were reviewed from commencement of the related project periods through March 31, 2022. A sampling of purchase orders and/or salaries and wages was selected from each program and reviewed for examination.

General Overview of Uses of Federal Funds

Title I Projects

The charter school serves grades K–12 and operates a Title I schoolwide program. During the 2021-2022 project period, TACS transferred 100% of its Title II, Part A and Title IV, Part A allocations to Title I, Part A. This transfer increased the total Title I, Part A funding amount to \$4,273,718, compared to the original allocation of \$3,649,641. The charter school programmed and budgeted its entire Title I, Part A allocation solely for salaries and benefits (with the exception of a \$504 reserve for homeless students) for the following identified positions:

- Teachers, Teachers in Residence, Assistant School Leaders and Head of Schools to provide in-class support and instructional strategies; and
- School Operations Managers to provide parent and family engagement activities.

Since FY 2018, the charter school's ESEA Consolidated Subgrant Applications detail the transfer of 100% of Title II, Part A and Title IV, Part A allocations into Title I, Part A, to be used solely for

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salaries and benefits (with the exception of the amount, per year, for the homeless reserve), with little to no funding being utilized for enhanced, extended, or new academic and/or non-academic programs and services for students and/or parents and families.

It is important to note that the purpose of the Title I, Part A grant program is to provide all children “significant opportunity to receive a fair, equitable, and high-quality education, and to close educational achievement gaps” so they can meet the challenging State academic standards [ESEA §1001]. The purpose of a Title I, Part A schoolwide program is to serve as a comprehensive reform strategy designed to utilize Title I, Part A funds to upgrade the entire educational program of each schoolwide school by focusing programs and services on the lowest performing students [ESEA §1114(a)(1)]. Given these program purposes, supplemental Title I, Part A funds must be used to:

Enhance existing programs/services and/or extend programs/services through the use of evidence-based interventions and strategies to improve student outcomes, including academic achievement, not just serve as a source of funding for the salaries of administrators and staff positions within the charter school.

Title III Projects

The purpose of the Title III program is to improve the education of English learners (ELs) by helping them learn English and meet challenging State academic content and student academic achievement standards. TACS uses its Title III federal funding to increase literacy among students identified as ELs by:

- focusing on native language foundation development and bridge to increase literacy and comprehension in English;
- building staff capacity through professional development based on needs evidenced in data; and
- partnering with families to establish and maintain a continuum of learning between school and home.

IDEA Grant

The purpose of the IDEA grant is to provide federal entitlement funds to assist with the excess costs of providing special education and related services to students with disabilities. TACS is using their FY 2022 IDEA funds for the salaries of paraprofessionals hired to support students with disabilities in the general education setting.

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CARES ESSER I

The purpose of CARES ESSER I funding is to address the impact COVID-19 has had, and continues to have, on elementary and secondary schools. TACS uses its CARES ESSER I funds primarily for the salaries of social workers and a dean; cleaning/custodial services; and educational technology, such as Chromebooks, video conferencing devices, Lenovo laptops and software licenses.

The charter school also budgeted funds for, among other things, the salaries of a Board Certified Behavior Analyst and essential staff (technology manager, managing director of school operations, director of special projects, and a nurse) to maintain the continuity of school operations.

CRRSA ESSER II

The purpose of CRRSA ESSER II funding is to provide money to LEAs to assist in safely reopening schools; measuring and effectively addressing significant learning loss; and testing, repairing, and upgrading projects to improve air quality in buildings.

TACS uses its CRRSA ESSER II funds to pay the salaries of staff responsible for the continuity of operations, technology, nursing and custodians; cleaning and sanitizing services; and student transportation services.

In addition, the CRRSA subgrant funds are budgeted for the stipends for staff to operate a summer school program; the funding of two Board Certified Behavioral Analysts and a social worker, as well as professional development for its social and emotional learning coordinators.

ARP ESSER II

The purpose of ARP ESSER funding is to assist LEAs in preparing for and responding to the impact of COVID-19 on educators, students, and families. Additional uses of funds include, but are not limited to:

1. hiring new staff and avoiding layoffs; and
2. addressing learning loss through summer learning or summer enrichment, extended day, comprehensive afterschool programs, or extended school year programs.

TACS uses its ARP ESSER funds to pay for salaries associated with the charter school's cleaning contract and custodians; social workers and deans; and other administrative staff to maintain the operation of and continuity of services in the charter school.

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ARP ESSER funds are also budgeted for the salaries of special education leadership and additional teaching support in the classrooms, as well social workers and other behavioral staff to address the social and emotional needs of the students. ARP ESSER subgrant funds are budgeted for uses including, but not limited to:

1. the professional development of staff concentrated on the academic, social, emotional, and mental health needs of its students;
2. a summer school program focused on academics and enrichment activities for students;
3. stipends for after school coordinators and athletic coaches; and
4. additional social workers to provide tiered mental health services.

ARP IDEA

ARP IDEA is a supplemental award to the IDEA, Part B funds, intended to support LEAs in the recovery from the impact of the COVID-19 pandemic, to reopen schools safely and sustain safe operations. ARP IDEA Basic and Preschool funds are being used for the salaries of paraprofessionals.

Detailed Findings and Recommendations

The Detailed Findings and Recommendations are disaggregated into the following sections:

1. Multiple Grants Section – findings necessitating the reversal of charges for multiple grants due to the lack of adequate supporting documentation;
2. Grant Specific Programmatic and Fiscal Section – findings directly attributable to the federal awards covered during the monitoring; and
3. Administrative Section – crosscutting administrative findings may be found in this section.

Multiple Grants Section

Title I, Part A, IDEA and ARP ESSER

Finding 1:

The charter school provided time and activity reports (TARs) for staff paid, in whole or in part, with federal awards for examination. The TARs submitted for Title I-funded staff did not reflect the name of the grant, nor activities clearly attributable to the federal award. The lack of readily distinguishable activities on TARs was noted for other grants as well. In addition, TACS was unable to provide copies of teacher schedules as alternate documentation. The charter school ultimately furnished job descriptions to support the TARs and the funding of salaries of certain staff with federal awards.

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More significantly, TARs for the following employees were not among the documents provided for examination:

Grant	Position Title	Employee Name	Amount
Title I, Part A	Teacher	C. Goodman	39,333.00
IDEA	Paraprofessional	D. Helmstetter	26,768.00
IDEA	Paraprofessional	J. McQueen	26,952.00
ARP ESSER	Teacher	M. Austin	37,500.00
ARP ESSER	Teacher	K. Bullock-Brown	37,500.00
Total			168,053.00

Pursuant to the Uniform Grant Guidance, time and activity documentation must, among other things:

- reflect what grant funded staff are doing, as well as when and where they are working;
- match the staff member’s funded percentage of time providing the grant funded services; and
- reasonably reflect the total activity for which the employee is compensated by the LEA, not exceeding 100% of compensated activities.

TARs must be prepared by staff members whose salaries are funded in whole or in part by federal awards. Timesheets or pay forms must be completed by employees paid on an hourly basis and reflect the same information mentioned above. This documentation is necessary to verify that grant funded staff are performing activities allowable under each federal award.

The charter school subsequently furnished EXCEL spreadsheets that it plans to use for determining the expenditures reported on the Title I, Part A and IDEA Final Expenditure Reports (FERs). The Title I spreadsheet omits C. Goodman’s name and salary altogether, while the IDEA spreadsheet reflects zero as the salary charges for D. Helmstetter and J. McQueen.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.430(i) Standards for Documentation of Personnel Expenses and §200.403(g) Factors affecting allowability of costs

Required Action(s):

The charter school must supplement the Title I, Part A and IDEA spreadsheets mentioned above by furnishing copies of underlying reports produced by its accounting and payroll systems as verification these employees’ salaries are properly excluded from

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the corresponding FERs. The required documentation must be submitted to Office of Fiscal Accountability and Compliance (OFAC) through the Collaborative Federal Monitoring (CFM) Homeroom Application within thirty (30) days from the date of this report of examination (ROE), or when the charter school submits its FERs, whichever occurs first.

In addition, the charter school must submit copies of TARs for the employees funded by the ARP ESSER grant using the same application and 30 day timeframe. If TACS is unable to provide the required supporting documentation, the charter school must furnish accounting records evidencing the reversal of the employees' salaries totaling \$75,000.00 from July 1, 2021 through March 31, 2022, plus the associated benefit costs. In addition, the charter school is required to reverse all such sums incurred thereafter that were charged to the ARP ESSER grant.

Recommended Action(s):

It is recommended that both charter school program and fiscal staff work collaboratively to institute policies and procedures to ensure all federally funded employees prepare TARs and timesheets compliant with applicable Uniform Grant Guidance requirements.

Finding 2:

The charter school submitted board of trustees (board) minutes evidencing the appointments for the majority of its staff members paid fully or partially with federal awards. A review of the charter school's accounting records and payroll registers for the period July 1, 2021 through March 31, 2022 disclosed that TACS allocated salaries to the Title I, Part A and IDEA grants for certain employees, which are *higher* than provided for by the board minutes and the employees' TARs. The following is a summary of the excess salary costs noted:

Grant	Staff Member	Period Charged	Total Amount Charged	Allowable Amount	Excess Salaries
Title I, Part A	S. Alvarez	3/1/2022 – 3/31/2022	7,500.00	5,625.00	1,875.00
IDEA	J. Patrick	3/1/2022 – 3/31/2022	3,656.00	2,157.83	1,498.17
IDEA	T. Taylor-Lambie	7/1/2021 – 3/31/2022	29,750.00	23,604.50	6,145.50
Total			40,906.00	31,387.33	9,518.67

During the monitoring, the charter school did not provide documentation supporting the higher salary figures shown. Pursuant to the Uniform Grant Guidance, the charter school is required to maintain records that, among other things, demonstrate the costs charged to the grant are:

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1. necessary, reasonable, and allocable to the federal award; and
2. adequately documented.

As indicated in the previous finding, the charter school furnished spreadsheets that will be used to support its Title I, Part A and IDEA FERs. A review of the spreadsheets disclosed the charter school plans to eliminate the excess costs for S. Alvarez by charging her salary at the board approved amount and funding percentage of 75%, back to July 1, 2021. The salaries of J. Patrick and T. Taylor-Lamie will be charged back to July 1st and for the rest of the school year, respectively, at the higher rates.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.403(a) and §200.403(g) Factors affecting allowability of costs

Required Action(s):

The charter school must submit copies of records such as board approvals and timesheets, if extra duties were performed and employee contracts for the staff members funded by the IDEA grant which support their higher salary figures. The required documents must be submitted to OFAC through the CFM Homeroom Application within thirty (30) days from the date of this ROE.

If TACS is unable to provide the required supporting documentation, the charter school must furnish accounting records evidencing the reversal of the excess salaries totaling \$7,643.67, plus the associated benefit costs that were allocated to the IDEA grant. In addition, the charter school is required to reverse all such sums incurred thereafter. Finally, the charter school must provide copies of accounting and payroll records which:

- show adjusted salary figures based on revised board approved funding percentages; and
- a detailed ledger of all expenditures used for reconciliation with the Title I, Part A and IDEA FY 2022 FERs.

The required documents must be submitted to OFAC in the same manner previously mentioned and within thirty (30) days from the date of this ROE, or when the charter school submits its FERs, whichever occurs later.

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Grant Specific Programmatic and Fiscal Section

Title I

Finding 1:

In its FY 2022 ESEA Consolidated Subgrant Application, TACS budgeted Title I, Part A funds for the salaries and benefit costs of teachers and other personnel participating in the Teacher’s Pension and Annuity Fund (TPAF). In addition, TACS budgeted a portion of its grant funds for the compensation and benefits of staff members whose salaries are subject to Federal Insurance Contribution Act (FICA) deductions only. The following is a summary of the budgeted costs:

Line Item Classification	Nbr. of Staff	Salaries	Benefits	Total
100-100 Instr. Svcs. – TPAF Eligible Salaries	12	740,331	333,149	1,073,480
100-100 FICA Only	7	356,417	27,265	383,682
200-100 Support Svcs. – TPAF Eligible Salaries	18	1,717,500	772,875	2,490,375
200-100 FICA Only	3	302,534	23,143	325,677
Total		3,116,782	1,156,432	4,273,214

The charter school included employee benefits of \$461,414.00 in its first Title I, Part A reimbursement request. The composition of these costs could not be determined based on an examination of accounting records and other documents provided during the monitoring. The inclusion of these inadequately documented benefit costs resulted in a significant and excess reimbursement of Title I, Part A funds.

While the charter school may charge various benefits costs to this federal award for Title I-funded staff, such costs must be consistent with federal cost principles. Moreover, the primary focus should be on ensuring the availability of sufficient funds to reimburse the state for the portion of TPAF/FICA costs attributable to the salaries of Title I funded employees in accordance with state legislation. This statutory obligation:

- serves to explain why the department’s Electronic Web-Enabled Grant system automatically applies a combined TPAF/FICA rate (45% for FY 2022) to the TPAF eligible salaries to arrive at the budgeted benefit amounts shown; and
- must be paid by October 1st, immediately after the project period ends.

Framed within this context, the charter school should not allocate the employer’s share of FICA on TPAF eligible salaries to its federal awards. Alternatively, the charter school can charge other benefits, such as health and dental insurance to Title I in proportion to salary funding

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percentages of grant funded personnel and the number of months worked, to the extent of budgeted funds available.

Pursuant to the Uniform Grant Guidance, LEAs must also *minimize* the time elapsing between the receipt of funds from NJDOE for reimbursement purposes and the payment of grant expenditures. To this end, the department's guidance on reimbursement requests authorizes LEAs to claim expenditures that:

1. *have already been paid*; or
2. will be paid within three (3) days of receipt of its reimbursement check.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.403(a) and §200.403(g) Factors affecting allowability of costs; §200.431 Compensation - fringe benefits; §200.305 Federal Payment; N.J.S.A. 18A:66-90 Federal funds; state to be reimbursed; ascertainment of amount; [Office of Grants Management, General Federal Entitlement Grant Guidance](#); and [Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures](#)

Required Action(s):

The charter school must submit copies of accounting and payroll reports which adequately document all benefit costs claimed on its Title I, Part A FER. The required documents must be submitted to OFAC through the CFM Homeroom Application when the charter school submits its FER for this federal award.

In addition, the charter school must develop and ensure adherence to written procedures for cash management that comply with the Uniform Grant Guidance and NJDOE guidance/policies.

Finding 2:

The charter school did not provide sufficient evidence that parents and families were actively involved in the development of the school-level parent and family engagement policy. Pursuant to ESEA legislation, parents and families must be involved in the development of the written school-level parent and family engagement policy, as well as be informed of the ways in which they can further participate in the academic performance and achievement of their children. The documentation provided, board meeting minutes, contained only a brief reference to any discussion regarding the review of this policy. In addition, the meeting flyer referenced the Title I Schoolwide Plan Committee and did not contain any indication that this policy would be reviewed and discussed with parents and families.

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Citation(s):

ESEA §1116(b)(1) Parent and Family Engagement: School Parent and Family Engagement Policy

Required Action(s):

For FY 2023, the charter school must establish policies and procedures to ensure it actively engages parents and families in the development and review of the school-level parent and family engagement policy, as well as ensure these policies are widely distributed to parents and families on an annual basis. In this way, parents and families are afforded opportunities to become effective partners in the charter school's ongoing parent and family engagement process. As part of the submission of its corrective action plan (CAP), the charter school must submit a copy of these policies and procedures for review by staff in the Office of Supplemental Educational Programs (OSEP).

Finding 3:

The charter school did not provide sufficient evidence that parents and families were actively involved in the development of the school-parent compact. Pursuant to ESEA legislation, the school-parent compact must outline how parents, the entire school staff, and students will share the responsibility for improved student academic achievement and the means by which the school and parents will build and develop a partnership to help children achieve the challenging, State academic standards. The documentation provided (board minutes) contained only a brief reference to any discussion regarding the review of this compact with parents and students. In addition, the meeting flyer referenced the Title I Schoolwide Plan Committee and did not indicate that this policy would be reviewed and discussed with parents, school staff, and students.

Citation(s):

ESEA §1116(d) Parent and Family Engagement: Shared Responsibilities for High Student Academic Achievement

Required Action(s):

For FY 2023, the charter school must establish policies and procedures to ensure it includes parents and families in the ongoing monitoring and continued development and implementation of all elements of the school-parent compact. The development and distribution of a school-parent compact must:

1. describe the charter school's responsibility to provide high-quality curriculum and instruction in a supportive and effective learning environment that enables the served children to meet the challenging State academic standards,

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2. describe the ways in which parents will be responsible for supporting their children’s learning, volunteering in their child’s classroom, and participating, as appropriate, in decisions relating to the education of their children and positive use of extracurricular time; and
3. address the importance of communication between teachers and parents on an ongoing basis through, at a minimum:
 - a. parent-teacher conferences in elementary schools, at least annually, during which the compact shall be discussed as the compact relates to the individual child’s achievement;
 - b. frequent reports to parents on their children’s progress;
 - c. reasonable access to staff, opportunities to volunteer and participate in their child’s class, and observation of classroom activities; and
 - d. ensuring regular two-way, meaningful communication between family members and school staff, and, to the extent practicable, in a language that family members can understand.

Finding 4:

Although the charter school provided evidence of school-level policies and procedures regarding the Educational Stability of Children in Foster Care, these policies and procedures were not dated. In addition, the school did not provide evidence that verified its board approved these policies and procedures by December 10, 2016, as required by ESEA legislation.

Citation(s):

ESEA §1111(g)(1)(E) State Plans: Other Plan Provisions and §1112(c) Local Educational Agency Plans: Assurances

Required Action(s):

The charter school must update its school-level policies and procedures regarding the Educational Stability of Children in Foster Care to include the date of adoption. As part of the submission of its CAP, the charter school must submit documented evidence of the meeting at which its board adopted these policies and procedures to OSEP for review.

Recommended Action(s):

To further enhance knowledge regarding Educational Stability for Children in Foster Care, it is recommended the charter school’s administrators and staff review the resources available on the NJDOE website at [Educational Stability for Children in Foster Care](#). For additional assistance, please contact OSEP at titleone@doe.nj.gov.

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Additional Recommendations

The following recommendations are presented to assist the charter school in continuing to strengthen and enhance its Title I, Part A programs and services:

1. consider adding more than one student to the Annual School Plan (ASP) Stakeholder Committee Team (especially since there are two high school campuses);
2. review and revise the smart goals in the ASP to include only one action per goal. In addition, the charter school should ensure that each goal is specific, measurable, attainable, relevant, and timebound. Also, the charter school needs to be specific when making reference to “year-end” to distinguish between the end of the school year (June) or the end of the project period (September);
3. review and revise the ESEA Consolidated Application in the EWEG system for the FY 2023 project period. The evidence-based interventions used to address the needs listed in the needs assessment are citing evidence from 2003 and 2006, and have been repeated annually since the 2018-2019 project period;
4. review and revise the needs assessment in the ESEA Consolidated Application in EWEG for the FY 2023 project period as the same needs have been repeated annually since the 2017-2018 project period; and
5. the charter school should consider creating a dedicated Title I, Part A webpage on the school’s website to enhance the accessibility of information pertaining to Title I programs and services to parents and the community.

Title III

The review of the charter school’s 2021-2022 Title III program yielded no findings.

IDEA Program

Finding 1:

The charter school did not consistently document that required participants were in attendance at identification, annual review, reevaluation planning, eligibility and IEP meetings for students referred and/or eligible for special education and related services and for students referred and/or eligible for speech-language services.

Citation(s):

N.J.A.C. 6A:14-2.3(k)1(i-vii), 2.3(k)2, Parental consent, notice, participation and meetings and 3.3(e) Location, referral, and identification

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Required Action(s):

The charter school must ensure that meetings are conducted with required participants and documentation of attendance and/or written parental consent to excuse a member of the IEP team is maintained in student files. In order to demonstrate correction of noncompliance, the charter school must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above.

A monitor from the NJDOE will conduct a site visit to:

- interview staff
- review meeting documentation, including sign-in sheets, for meetings conducted between September 2022 and December 2022
- review the oversight procedures

Finding 2:

The charter school did not conduct meetings within 20 calendar days of receipt of a written request to the child study team or to the speech-language specialist to determine if an evaluation was warranted.

Citation(s):

N.J.A.C. 6A:14-3.3(e) Location, referral and identification

Required Action(s):

The charter school must ensure that identification meetings are conducted within 20 calendar days of receipt of a written request for evaluation and required participants are in attendance. In order to demonstrate correction of noncompliance, the charter school must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above.

A monitor from the NJDOE will conduct a site visit to:

- interview staff
- review documentation from identification meetings held between September 2022 and December 2022
- review the oversight procedures

Finding 3:

The charter school did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for students referred for special education and related services and for students referred for speech-language services. Initial evaluation

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reports did not consistently contain observations outside of the testing situation, teacher interview, and a review of prior interventions documented by the teacher(s) or others who work with the student.

Citation(s):

N.J.A.C.6A:14-3.4(f)4(i-vi) Evaluation

Required Action(s):

The charter school must ensure all components of the functional assessment are conducted as part of all initial evaluations. In order to demonstrate correction of noncompliance, the charter school must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above.

A monitor from the NJDOE will conduct a site visit to:

- interview staff
- review documentation of initial evaluations for students referred for special education and related services and for students referred for speech-language services between September 2022 and December 2022
- review the oversight procedures

Finding 4:

The charter school did not consistently conduct multidisciplinary initial evaluations for students referred for speech-language services by obtaining an educational impact statement from the classroom teacher.

Citation(s):

N.J.A.C. 6A:14-2.5(b)6 Protection in evaluation procedures and 3.6(b) Determination of eligibility for speech-language services

Required Action(s):

The charter school must ensure a multidisciplinary evaluation is conducted for students referred for speech-language services by obtaining a written statement from the general education teacher that details the educational impact of the speech problem on the student's progress in general education. In order to demonstrate correction of noncompliance, the charter school must conduct training for speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above.

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A monitor from the NJDOE will conduct a site visit to:

- interview staff
- review documentation of initial evaluations for students referred for speech-language services between September 2022 and December 2022
- review the oversight procedures

Finding 5:

The charter school did not consistently follow appropriate procedures to evaluate students referred for a speech-language evaluation. Speech-language specialists conducted screenings of individual students to determine if an evaluation was warranted after referrals were received but prior to conducting the required identification meeting.

Citation(s):

N.J.A.C. 6A:14-2.3(a) Parental consent, notice, participation and meeting, 3.3(e)5, Location, referral and identification, and 3.4(a-h) Evaluation

Required Action(s):

The charter school must discontinue the practice of screening individual students prior to initiating the evaluation process. In order to demonstrate correction of noncompliance, the charter school must conduct training for speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above.

A monitor from the NJDOE will conduct a site visit to:

- interview staff
- review documents of students referred for speech-language services between September 2022 and December 2022
- review the oversight procedures

Finding 6:

The charter school did not consistently document in the IEPs of students removed from the general education setting for more than 20 percent of the school day, including students placed in separate settings, consideration of placement in the least restrictive environment.

Specifically, the IEPs did not consistently include:

- supplementary aids and services considered and an explanation of why they are not appropriate;
- comparison of the benefits in the general and special education setting;
- the potentially beneficial or harmful effects which a placement in general education may have on the student with disabilities or other students in the class; and

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- for those students placed in separate settings, activities to transition the student to a less restrictive environment.

Citation(s):

N.J.A.C. 6A:14-4.2 (a)8(iii) Placement in the least restrictive environment and 3.7(k) Individualized education program

Required Action(s):

The charter school must ensure when determining the educational placement of a child with a disability, the IEP team considers the general education class first and that all required decisions regarding the placement are documented in the IEP for each student removed from general education for more than 20 percent of the school day. The charter school must also ensure that for students placed in separate settings, the IEP team identifies activities to transition the student to a less restrictive environment and document them in each IEP.

In order to demonstrate correction of noncompliance, the charter school must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. To demonstrate that the charter school has corrected the individual instances of noncompliance, the charter school must conduct annual review meetings and revise the IEPs for specific students that were identified as noncompliant.

A monitor from the NJDOE will conduct a site visit to:

- interview staff
- review the revised IEPs, along with a random sample of IEPs developed at meetings conducted between September 2022 and December 2022
- review the oversight procedures

Names of the students whose IEPs were identified as noncompliant will be provided to the charter school by the monitor.

Finding 7:

The charter school submitted payroll documentation that reflects the payment of bonuses to certain staff funded in whole or part by the IDEA grant. A comparison of this documentation and corresponding accounting records, disclose 21 of these staff members received compensation which included holiday bonuses of \$500 each, for a total of \$10,500.00.

The charter school is reminded that all expenditures of grant funds must at a minimum:

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1. align to the identified *needs* of the charter school in the applicable Consolidated Grant applications; and
2. comply with the “necessary, reasonable and allocable” and “adequately documented” provisions of the Uniform Grant Guidance mentioned in the previous finding.

Pursuant to the Uniform Grant Guidance, a cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness also depends partly on whether the cost is of a type generally recognized as ordinary and necessary for the operation of LEA or the proper and efficient performance of the federal award. The use of IDEA funds for holiday bonuses is inconsistent with these federal cost principles.

As previously indicated in Multiple Grants Section, Findings 1, the charter school furnished a spreadsheet that will be used to complete the FY 2022 IDEA FER. A review of the spreadsheet disclosed the charter school plans to report annualized salary figures for the employees funded by IDEA, excluding the holiday bonuses. The annualized salaries agree with those approved by the board, except for two employees – J. Patrick and T. Taylor-Lamie.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.403(a) and §200.403(g) Factors affecting allowability of costs

Required Action(s):

The charter school must supplement the EXCEL spreadsheet provided by furnishing copies of underlying reports produced by its accounting and payroll systems evidencing reversal of the bonuses and for reconciliation with the FY 2022 IDEA FER. In addition, the charter school is required to furnish board meeting minutes evidencing the approval of salaries of J. Patrick and T. Taylor-Lamie which agree with the amounts reported on the spreadsheet. The required documentation must be submitted in the same manner as previously described within thirty (30) days, or when the charter school submits its FERs, whichever occurs later.

CARES ESSER I

Finding 1:

The charter school used CARES ESSER I funds to buy approximately 100 computing devices which are not listed on the Asset Inventory Log furnished for examination or on a separate log maintained specifically for electronic devices less than the capitalization threshold of \$2,000 per unit.

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The charter school must list all equipment items, as well as any electronic devices that are less expensive to track than to replace, on inventory records, which are purchased with federal grant funds until transfer, replacement, or disposition takes place. Pursuant to the Uniform Grant Guidance, the inventory records must include the following information, at a minimum:

1. Description of the item/property;
2. Serial number, model number, or other identification number (bar code or local identifying number);
3. Funding source of the item/property;
4. Titleholder (name of funding title/grant);
5. Acquisition date;
6. Acquisition cost of the item/property;
7. Records showing maintenance procedures to keep item/property in good condition;
8. Percentage of federal participation in the cost of the item/property;
9. Location, use, and condition of the item/property, and date information was reported; and
10. All pertinent information on the ultimate transfer, replacement or disposition (including date of disposal and the sale of the item/property, if applicable) when the item/property is retired from service.

With respect to item 2, LEAs should utilize numbers which correspond directly, or that can be referenced, to those recorded on the vendor's shipping or packaging slips in order to facilitate effective:

- Implementation of internal controls over the equipment and computing devices purchased with federal funds; and
- Monitoring and audits.

The charter school is required to update the inventory listings for new purchases of equipment and computing devices and the purging of items. A physical inventory of equipment item/property must be taken and the results reconciled with the inventory property records at least once every two (2) years. Any loss, damage, or theft must be investigated and fully documented by local law enforcement officials.

The Uniform Grant Guidance allows the use of equipment no longer needed for the original project program on other activities currently or previously supported by federal funds. Otherwise, the disposition of equipment acquired with federal grant funds must be in accordance with the grant requirements. In the absence of specific instructions of the federal grant, equipment valued at \$5,000 or less may be retained, sold or otherwise disposed of with no further federal obligation.

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Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.313(d) Equipment; §200.403(a) and §200.403(g) Factors affecting allowability of costs; and [Office of Grants Management, General Federal Entitlement Grant Guidance](#)

Required Action(s):

The charter school must submit copies of inventory records that list the computing devices acquired with CARES ESSER I funds to OFAC through the CFM Homeroom Application within thirty (30) days from the date of this ROE.

ARP ESSER

Finding 1:

The charter school submitted Profit and Loss Statements (P&Ls) depicting revenues and expenditures attributable to its federal awards for examination. The P&L for ARP ESSER and the applicable subgrants did not reflect revenue figures that agree with the total allocation on the grant award notice or budget amounts that could be reconciled to the budget summary in EWEG.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.302 Financial Management

Required Action(s):

The charter school is required to update its P&Ls to reflect the dollar amount of its ARP ESSER federal award and budgeted amounts which align with SEA approved budget summary in EWEG for the main allocation, as well as the applicable subgrants. The charter school must submit the revised reports to OFAC through the CFM Homeroom Application within thirty (30) days from the date of this ROE.

ARP IDEA

Finding 1:

The board meeting minutes provided evidencing the approval of grant funded personnel did not include three staff members – T. Vann, E. Evans and T. McRae – whose salaries were partially paid by the ARP IDEA Preschool grant. The majority of their compensation was charged to the ARP ESSER grant.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.403(a) and §200.403(g) Factors affecting allowability of costs

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Recommended Action(s):

The charter school is reminded that board approval of all grant funded personnel, including changes in funding sources and percentages, must be kept on file for audit or monitoring purposes.

Administrative Section

Finding 1:

The charter did not have formal written procedures that address Uniform Grant Guidance requirements, including but not limited to:

- determining the allowability of costs in accordance with federal cost principles and the terms and conditions of the federal award;
- the mandatory disclosure of all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award;
- minimizing the time elapsing between the transfer of funds from the department and the charter school's disbursement of payments to vendors for goods and services (cash management or draw-down procedures); and
- the vetting of vendors for debarment and suspension, as discussed more fully in Finding 7 of this section

Citation(s):

ESEA § 1118 Fiscal Requirements; Uniform Grant Guidance, 2 C.F.R. §§200.302(b)(6)-(7) Financial Management and 2 C.F.R. §§200.400 – 200.476 Subpart E - Cost Principles; §200.113 Mandatory disclosures; and 2 C.F.R. §§200.317 – 327 Procurement Standards

Required Action(s):

The charter school must implement, develop and adopt board policies and written procedures which address the requirements of the Uniform Grant Guidance. The charter school may opt to utilize a vendor for the preparation of the requisite board procedures.

Finding 2:

The charter school was unable to furnish board meeting minutes evidencing a resolution for the award of a contract in excess of the bid threshold as required by state statute.

Citation(s):

N.J.S.A. 18A:18A-4 Contract awarded by board of education resolution; disqualification conditions

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Required Action(s):

The charter school must ensure every contract for the provision or performance of any goods or services in which the aggregate cost exceeds the bid threshold are awarded only by board resolution.

Finding 3:

The charter school submitted P&Ls depicting revenues and expenditures attributable to its federal awards for examination. The charter school should revise the format of its P&Ls to include revenue codes consistent with The Uniform Minimum Chart of Accounts for New Jersey Public Schools and Approved Private Schools for Students with Disabilities (UMCOA). In addition, the charter school should replace all outdated references to “NCLB” with “ESEA” in its accounting reports maintained for the Title I, Part A grant.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.302 Financial Management and UMCOA

Required Action(s):

The charter school must implement a process to ensure the use of revenue codes that comply with the department’s prescribed UMCOA for the federal programs identified.

Finding 4:

Certain purchase orders provided for examination lacked sufficient description of the goods or services acquired by the charter school. Pursuant to the Uniform Grant Guidance, the charter school is required to prepare:

1. all solicitations with clear and accurate technical descriptions of the items and/or services being procured; and
2. records in a manner which demonstrates compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.319(d)(1) Competition; §200.302(a) Financial Management; and §§200.400 – 200.476 Subpart E - Cost Principles

Required Action(s):

The charter school must prepare solicitations containing descriptions that sufficiently address, and conform to the requirements of, the Uniform Grant Guidance and citations listed above.

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Finding 5:

On a few occasions, the charter school failed to issue a purchase order prior to goods being purchased or services being rendered (confirming order). State regulations require that a *properly executed* purchase order be issued *prior* to the purchase of goods or the rendering of services.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.302(b)(4) Financial Management and N.J.S.A. 18A:18A(2)(v) Definitions “Purchase Order”

Required Action(s):

Purchase orders should be issued to all vendors prior to goods or services being provided.

Finding 6:

A number of purchase order voucher packets were selected and examined during monitoring. The charter school was unable to provide board minutes approving the solicitation of bids where applicable. Nor was TACS able to furnish multiple quotes or bids for more than one purchase order as required by:

1. the New Jersey Public School Contracts Law (PSCL) and charter school policy; or
2. procurement standards under Uniform Grant Guidance, whichever is most restrictive.

Federal procurement standards do not include all exemptions allowed under the PSCL, specifically professional services.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §§200.317 – 327 Procurement Standards and N.J.S.A. 18A:18A-37(a) Award of purchases, contracts, or agreements

Required Action(s):

The charter school must adhere to the PSCL or applicable provisions of the Uniform Grant Guidance, whichever is most restrictive, when obtaining goods and services.

Finding 7:

A number of purchase orders were examined during the monitoring with dollar amounts equal to or greater than \$25,000. Such purchase orders meet one of a number of definitions of a covered transaction in 2 C.F.R. §180.220. Before entering into covered transactions, these regulations require the charter school to determine the vendor is not debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or

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activities. The covered transactions tested lacked any indication that verifications of this nature are being performed. Verifications may be accomplished by:

1. checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration and available at <https://www.beta.sam.gov/> ;
2. collecting a certification from the entity; or
3. adding a clause or condition to the covered transaction with that entity (2 C.F.R. section 180.300)

Copies of evidence demonstrating performance of the requisite verifications must be maintained.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.214 Suspension and debarment

Required Action(s):

The charter school is required to implement procedures to confirm vendors are neither debarred, nor suspended prior to entering into purchase orders or contracts equal to or in excess of \$25,000.

Finding 8:

The charter school did not submit reimbursement requests for its CARES ESSER I grants on a monthly, but no less than quarterly basis.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.305 Federal Payment; [Office of Grants Management, General Federal Entitlement Grant Guidance](#); and [Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures](#)

Required Action(s):

The charter school is required to submit reimbursement requests on a monthly basis, or at least quarterly. In addition, the charter school is responsible for maintaining supporting documentation for seven (7) years and for making it available to the NJDOE, the U.S. Department of Education, and/or their authorized representatives upon request.

The NJDOE thanks you for your time and cooperation during the monitoring visit and looks forward to a successful resolution of every finding and implementation of all required actions and recommendations contained in this report.

If you have any questions, please contact Lisa D. McCormick via phone at (609) 376-3608 or via email at lisa.mccormick@doe.nj.gov.