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Department of Education
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Empowerment Academy Charter School

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New Jersey K to 12 Education

**Collaborative Monitoring Report
October 2024**

Charter School: Empowerment Academy Charter School
County: Hudson
Dates Monitored: June 11, 12, 13 and 14, 2024
Case Number: CM-13-24

Funding Sources:

Program	Funding Award
Title I, Part A	829,000
Title I SIA	0
Title II, Part A	58,008
Title III	17,229
Title III Immigrant	0
Title IV, Part A	0
IDEA Part B, Basic and Preschool	258,100
ARP ESSER (includes all subgrants)	2,815,683
Perkins V	0
Total Funds	3,978,020

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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 Empowerment Academy Charter School (EACS 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 requirements of each program, Federal and state laws, and applicable regulations. The monitoring of EACS 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 II, Part A (Title II-A);
- Title III, Part A (Title III);
- IDEA Part B - Basic and Preschool; and
- American Rescue Plan (ARP) ESSER and applicable subgrants.

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

- accounting records
- annual audits
- board of education (board) meeting minutes
- grant applications program plans and needs assessments
- grant awards
- payroll records
- purchase orders

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The scope of work included interviews with appropriate charter school staff regarding the administration of the aforementioned programs/grants. In addition, a sampling of computing devices and equipment purchased with Federal funds was selected and physically examined without exception.

The grants and programs reviewed included Title I, Title II-A, Title III, IDEA Basic and IDEA Preschool from July 1, 2023 through April 30, 2024. In addition, ARP ESSER and all applicable subgrants were reviewed from commencement of the related project periods through April 30, 2024. 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, Part A Projects

The purpose of Title I is to provide all children significant opportunity to receive a fair, equitable, and high-quality education, and to close educational achievement gaps.

EACS is a K to 10 charter school that operated a schoolwide program in its Title I-funded school. In FY 2024, the charter school utilized Title I funds in the following areas:

1. instructional staff in-class support program;
2. instructional staff pull-out program;
3. instructional materials and supplies;
4. professional development activities;
5. parent and family engagement; and
6. social-emotional learning.

Title II-A Projects

The purpose of Title II-A is to:

1. increase student achievement consistent with the challenging State academic standards;
2. improve the quality and effectiveness of teachers, principals and other school leaders;
3. increase the number of teachers, principals and other school leaders who are effective in improving student academic achievement in schools; and
4. provide low-income and minority students greater access to effective teachers, principals and other school leaders.

In FY 2024, EACS used their Title II-A funds for the recruitment, hiring and retention of effective teachers. High-quality personalized professional development was also implemented with Title II-A funds.

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Title III Projects

The purposes of the Title III, Part A and Title III, Immigrant program include the following:

1. help ensure that multilingual learners (MLs), including immigrant children and youth, attain English proficiency and develop high levels of academic achievement in English;
2. assist all English learners, including immigrant children and youth, to achieve high levels in academic subjects so that all MLs can meet the same challenging, State academic standards that all children are expected to meet;
3. assist teachers (including preschool teachers), principals and other school leaders, State educational agencies, local educational agencies, and schools in establishing, implementing, and sustaining effective language instruction educational programs designed to assist in teaching MLs, including immigrant children and youth;
4. assist teachers (including preschool teachers), principals and other school leaders, State educational agencies, and local educational agencies to develop and enhance their capacity to provide effective instructional programs designed to prepare MLs, including immigrant children and youth, to enter all English instructional settings; and
5. promote parental, family, and community participation in language instruction educational programs for the parents, families, and communities of MLs.

Note: The term multilingual learner is synonymous with “English learner” or “English language learner.” Sources which are cited from the United States Department of Education may still reference the use of the term English learner or EL. The NJDOE recognizes that multilingual learners may enter New Jersey’s schools with a level of proficiency in a world language other than English. The NJDOE will use “Multilingual Learner” and “ML,” respectively, to shift to asset-based language and honor a student’s primary language.

In FY 2024, EACS used its Title III funds to:

1. enhance English language instruction with supplemental reading materials;
2. support professional development for teachers of multilingual learners; and
3. host family and community engagement activities for parents and families of multilingual learners.

IDEA

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. In FY 2024, IDEA Basic funds were used for contracted child study team and related services. IDEA Preschool funds were used for supplemental supplies and materials.

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ARP ESSER

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.

EACS used its ARP ESSER funds mainly for the following:

1. a new modular classroom;
2. electrical work and the installation of a fire alarm system in the modular classroom;
3. salaries for teachers and compensation for custodians;
4. extra compensation for staff who attended the charter school's Summer Institute;
5. educational technology, such as hot spots for staff and students;
6. a shared services agreement with an affiliate school;
7. online job advertisements;
8. occupational therapy services;
9. industrial floor scrubbers;
10. janitorial supplies;
11. instructional supplies; and
12. personal protective equipment.

ARP ESSER subgrant funds were used for, among other things: extra compensation for staff who attended the charter school's Summer Institute; teacher stipends for extended day/year and Saturday School program; and salaries for social workers/guidance counselors.

Detailed Findings and Recommendations

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

1. Multiple Grants Section – findings necessitating correction, or the reversal of charges due to the lack of adequate supporting documentation, for multiple grants.
2. Grant Specific Programmatic and Fiscal Section — findings directly attributable to the Federal awards covered during the monitoring. The programmatic findings precede the fiscal findings unless otherwise denoted by an asterisk (*).
3. Administrative Section – crosscutting administrative findings may be found in this section.

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Multiple Grants Section

Title II-A and ARP ESSER

Finding 1:

The charter school issued purchase order number (PO #) 202400409 in the amount of \$20,596.60 to School Partners for the reimbursement of online job posting advertisements on Indeed, a job matching and hiring platform. Of this figure, the charter school allocated \$18,050.00 and \$2,546.60 to the Title II-A and ARP ESSER grants, respectively. The charter school reimbursed School Partners the sum of \$20,596.60 via check in September 2023.

During the monitoring, EACS provided an Analytics report for jobs and campaign (AR) from Indeed for the period August 15, 2023 through September 8, 2023, along with a spreadsheet prepared by charter school staff. An examination of these records and other documentation disclosed the following:

1. The spreadsheet itemizes aggregate charges of \$20,313.96 and agrees with the AR total. However, data for several job postings and the corresponding amounts spent totaling \$10,184.41 do not appear on the AR.
2. The costs per click, which range from \$0.63 to \$10.42, could not be recalculated.
3. The invoice amount of \$20,433.96 is \$162.64 lower than the payment amount of \$20,596.60.

In the absence of documentation which satisfactorily resolves the issues above, the total unsubstantiated costs of \$10,347.05 (\$10,184.41 + \$162.64) are unallowable.

Pursuant to the Uniform Grant Guidance, the charter school is required to maintain records which demonstrate the costs charged to the grant are:

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

Citation(s):

Uniform Grant Guidance, Subpart E – Cost Principles 2 C.F.R. §§200.403 Factors affecting allowability of costs, 200.404 Reasonable costs and 200.405 Allocable costs

Required Action(s):

The charter school is required to upload copies of the records identified below to the Office of Fiscal Accountability and Compliance (OFAC) via the Collaborative Federal Monitoring (CFM) Homeroom Application as part of the submission of its corrective action plan (CAP):

1. a complete AR which substantiates the Indeed job posting and advertising costs of \$20,433.96;

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2. an explanation of how the costs per click were calculated; and
3. documentation demonstrating the difference noted of \$162.64 represent allowable program costs.

If the charter school is unable to provide required documentation, the charter school must reverse the charges and submit copies of:

1. accounting records for the period July 1, 2023 through September 30, 2024 evidencing reversal of the unallowable advertising costs of \$10,347.05 charged to Title II-A; and
2. spreadsheets in EXCEL format reconciling the accounting records from items 1 and 2 above and evidencing the exclusion of the aforementioned figures from the charter school's corresponding Final Expenditure Reports (FERs).

Title I, ARP Accelerated Learning, ARP Summer Learning, ARP Beyond the School Day, and ARP Mental Health¹

Finding 1:

The charter school did not provide copies of board approvals for *all* staff members whose payroll costs were funded by Title I and the above captioned subgrants.

LEAs must adopt resolutions evidencing the board's authorization of staff to perform allowable grant-funded activities. With respect to salaried employees, the board minutes must clearly delineate: the account number; funding source; employee name; position title; annual salary; funded salary; and salary funding percentages. Subsequent changes in the employees' funding percentage need to be approved by the board as well.

In regard to staff performing activities outside of normal work duties, the board minutes must include, at a minimum: the account number; funding source; employee name; position title; activity; hourly rate; and a "not-to-exceed" amount.

Pursuant to the Uniform Grant Guidance, costs of compensation are allowable to the extent that they satisfy specific requirements in §200.430. The requirements provide that, among other things, the total compensation for individual employees follows an appointment made in accordance with LEA's laws and/or rules or written policies and meets the requirements of

¹ The ARP subgrant abbreviations are explained as follows:

- "ARP Accelerated Learning" — ARP Accelerated Learning Coaching and Educator Support Grant;
- "ARP Summer Learning" — ARP Evidence-Based Summer Learning and Enrichment Activities Grant;
- "ARP Beyond the School Day" — ARP Evidence-Based Comprehensive Beyond the School Day Activities Grant; and
- "ARP Mental Health" stands for New Jersey Tiered System of Supports Mental Health Support Staffing Grant.

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Federal statute, where applicable. In accordance with State statutes, “no teaching staff member shall be appointed, except by a recorded roll call majority vote of the full membership of the board approving him[/her].”

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.430 Compensation - personal services and
N.J.S.A. 18A:27-1 Appointment of teaching staff members; vote required

Required Action(s):

The charter school must obtain approval from their board for all staff members designated to perform grant-funded activities. The corresponding board meeting minutes must include, at a minimum, the pertinent information summarized in this finding.

Grant Specific Programmatic and Fiscal Section

Title I, Part A

Finding 1:

The charter school did provide evidence that it convened an annual Title I meeting for parents and families of participating children; however, the meeting did not take place until January 2024. Pursuant to the Elementary and Secondary Education Act² (ESEA), a Title I-funded school must convene an annual meeting at the beginning of the school year, to inform parents and families of the school’s Title I, Part A program(s), the Title I legislative requirements, and the ways in which parents and families can be engaged actively in helping their children succeed academically.

Citation(s):

ESEA §1116(c) Parent and Family Engagement: Policy Involvement

Required Action(s):

The charter school must ensure it holds an annual Title I meeting at the beginning of each school year (no later than the first week in October or earlier). To document this annual meeting, the charter school must maintain the following information on file:

1. invitational letter/flyer;
2. meeting agenda;
3. meeting minutes; and
4. sign-in sheets or a list of the names of staff and parents who attended the meeting.

² This Federal education law was reauthorized by the Every Students Succeeds Act on December 10, 2015.

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Each piece of documentation must include the exact date on which the annual Title meeting was held. As part of the submission of its CAP, the charter school must submit evidence of processes and/or procedures in place to ensure the required annual Title I meeting takes place at the beginning of the 2024-2025 school year.

Finding 2:

In reviewing the charter school's Annual School Plan (ASP), the following items were noted:

1. All of the Development Team meetings took place in August.
2. One sign-in sheet listed "parent and community member."
3. All four (4) SMART³ Goals listed in the ASP were not measurable. For example, SMART Goal #1 read, "4% Increase in percentage of Grade 3 and 4 Scholars Who Meet or Exceed state expectations on the NJSLA^[4] . . ." As written, the goal does not include a baseline period to properly measure the desired growth.
4. The budget totals do not align to the school-level allocation as listed on the Eligibility Step 4 subtab in the ESEA Consolidated Subgrant Application.

Citation(s):

ESEA §1114(b) Schoolwide Programs: Components of a Schoolwide Program

Required Action(s):

As part of the submission of its CAP, the charter school must submit a copy of the processes and/or procedures the charter school established to ensure that for the 2024-2025 school year:

1. Meetings are held at different times throughout the year. It is recommended that meetings are held quarterly, at a minimum.
2. The stakeholder team includes all required, representative stakeholder members, including at least one parent (more than one parent is preferable) and an outside community member(s) not affiliated with the school, and that the meeting sign-in sheets properly identify all team members.
3. All smart goals are specific, measurable, attainable, relevant, and timebound.
4. The budget total aligns to the school-level allocation as listed on the Eligibility Step 4 subtab in the ESEA Consolidated Subgrant Application.

Recommended Action(s):

To further enhance knowledge regarding the completion of the ASP, it is recommended the charter school's administrators and staff review the [ASP Resources page](#) in NJ Homeroom.

³ The acronym "SMART" stands for specific, measurable, achievable, results-oriented, and timely.

⁴ The acronym "NJSLA" stands for New Jersey Student Learning Assessments.

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Finding 3:

The charter school did not distribute all required parent and family notification requirements under Title I in a format, to the extent practicable, in a language that parents understand. The only document translated into multiple languages was the Parent Right-to-Know letter. Conversely, the following documents were available solely in English:

1. charter school-level parent and family engagement policy;
2. school-parent compact; and
3. English Language learner notification.

Citation(s):

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

Required Action(s):

As part of the submission of its CAP, the charter school must submit a copy of all translated documents, as well as a link to the documents listed on the LEA's website.

Finding 4:

The charter school reimbursed an employee the sum of \$1,424.90 (PO #202400917) for costs associated with a parent and family engagement event (PFE), absent the provision of documentation evidencing the event actually took place. As a result, the PFE costs incurred are unallowable.

Pursuant to the Uniform Grant Guidance, the charter school is required to maintain records which demonstrate the costs charged to the grant are:

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

Citation(s):

Uniform Grant Guidance, Subpart E – Cost Principles 2 C.F.R. §§200.403 Factors affecting allowability of costs, 200.404 Reasonable costs and 200.405 Allocable costs

Required Action(s):

The charter school must submit copies of the documentation identified herein to OFAC via the CFM Homeroom Application as part of the submission its CAP. Otherwise, the charter school is required to reverse the charges and upload copies of the following:

1. accounting records for the Title I grant for the period July 1, 2023 through September 30, 2024 evidencing reversal of the inadequately documented PFE costs totaling \$1,424.90; and

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2. spreadsheets in EXCEL format reconciling the accounting records from item 1 above and evidencing the exclusion of the non-allowable expenditures from the charter school's Title I FER.

Finding 5:

The charter school's Expenditure Account Detail for Title I disclosed distinct subcodes are not being used to track the reserve for students experiencing homelessness. Amounts expended for this set-aside must be used for allowable program activities and accounted for separately to enhance the charter school's ability to monitor unexpended balances, which may be carried forward, provided the funds are spent for their intended purpose or returned to the state.

In addition, the charter school purchased two gift cards for students experiencing homelessness but did not record entries on its related tracking log during or after distribution of the cards.

Citation(s):

Education Department General Administrative Regulations, §76.730 Records related to grant funds and Uniform Grant Guidance, 2 C.F.R. §200.302(b)(3) Financial Management

Required Action(s):

The charter school must implement procedures to ensure reserves are accounted for separately and proper internal controls demonstrating the distribution of gift cards to students when necessary, by recording contemporaneous entries on its tracking log.

Title II-A

The review of the charter school's 2023-2024 Title II-A programs yielded no programmatic findings. The fiscal review of these programs resulted in a finding discussed more specifically in the Multiple Grants Section.

Title III

Finding 1:

The charter school issued PO #202400265 to Language Line Services, Inc. in the amount of \$1,200.00 for translation services. The use of funds for translation services is case specific and rather limited. During the CFM Title III breakout meeting, the charter school personnel suggested that they would be able to provide documentation demonstrating that some of the costs were allowable and would reverse the unallowable portion. As of the present date, records have not been uploaded to support their assertion. In the absence of evidence to the contrary, the sum of \$1,200.00 is an unallowable because it supplants state and Federal requirements.

Citation(s):

ESEA §3115(g) Supplement, Not Supplant and N.J.A.C. 6A:15 Bilingual Education

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Required Action(s):

The charter school is required to upload copies of the records identified below to OFAC via the CFM Homeroom Application as part of the submission of its CAP:

1. accounting records for the Title III grant for the period July 1, 2023 through September 30, 2024 evidencing reversal of the unallowable translation costs totaling \$1,200.00; and
2. spreadsheets in EXCEL format reconciling the accounting records from item 1 above and evidencing the exclusion of the non-allowable expenditures from the charter school's Title III FER.

As part of the CAP process, the charter school must review the [funding document](#) to ensure staff understand supplemental, not supplanting use of funds.

IDEA

The charter school reclassified costs of \$1,976.40 for the acquisition of four classroom area rugs from the charter school's General Fund to the IDEA Preschool grant. The charter school was unable to document that the costs were incurred solely for eligible beneficiaries, preschoolers ages 3 to 5. As a result, the costs paid for the area rugs are unallowable.

Pursuant to the Uniform Grant Guidance, the charter school is required to maintain records which demonstrate the costs charged to the grant are:

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

Citation(s):

Uniform Grant Guidance, Subpart E — Cost Principles 2 C.F.R. §§200.403 Factors affecting allowability of costs, 200.404 Reasonable costs and 200.405 Allocable costs

Required Action(s):

The charter school must submit copies of the documentation identified herein to OFAC via the CFM Homeroom Application as part of the submission of its CAP. Otherwise, the charter school is required to reverse the charges and upload copies of the following:

1. accounting records for the IDEA Preschool grant for the period July 1, 2023 through September 30, 2024 evidencing reversal of unallowable IDEA Preschool costs totaling \$1,976.40; and
2. spreadsheets in EXCEL format reconciling the accounting records from item 1 above and evidencing the exclusion of the non-allowable expenditures from the charter school's IDEA Preschool FER.

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ARP ESSER and Applicable Subgrants

ARP ESSER

Finding 1:

On March 22, 2024, the charter school reclassified custodial payroll costs of \$146,825.00 from general fund account #11-000-262-100-000-066 to ARP ESSER account #20-487-200-100-000-102 Salaries. During the monitoring visit, the charter school provided copies of Earnings and Deductions Reports (EDRs) for examination for the period July 15, 2023 through February 15, 2024 which substantiated aggregate expenditures of \$130,119.05. The difference of \$16,705.95 (\$146,825.00 - \$130,119.05) is attributable to the compensation of N. Reed and T. Severson. Copies of EDRs to support the compensation of the employees identified and reflect which account such costs originated from, however, were not furnished for review.

Pursuant to the Uniform Grant Guidance, the charter school is required to maintain records which demonstrate the costs charged to the grant are:

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

Citation(s):

Uniform Grant Guidance, Subpart E — Cost Principles 2 C.F.R. §§200.403 Factors affecting allowability of costs, 200.404 Reasonable costs and 200.405 Allocable costs

Required Action(s):

The charter school must submit copies of the documentation identified herein to OFAC via the CFM Homeroom Application as part of the submission of its CAP. Otherwise, the charter school is required to reverse the charges and upload copies of the following:

1. accounting records for the ARP ESSER for the period March 13, 2020 through September 30, 2024 evidencing reversal of the unsubstantiated payroll costs totaling \$16,705.95; and
2. spreadsheets in EXCEL format reconciling the accounting records from item 1 above and evidencing the exclusion of the non-allowable expenditures from the charter school's ARP ESSER FER.

ARP ESSER, ARP Accelerated Learning, ARP Beyond the School Day and ARP Mental Health

Finding 1:

During the monitoring visit, the charter school was unable to provide copies of timesheets for selected dates to substantiate part of the custodial payroll costs transferred to ARP ESSER. Nor did the charter school furnish copies of all timesheets needed to adequately document payroll costs allocated to the ARP Accelerated Learning and ARP Beyond the School Day for the dates

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tested. The aggregate, unsubstantiated payroll costs of \$25,577.47 is summarized on Attachment A.

In addition, the charter school allocated compensation totaling \$21,880.13 for J. Williams for the period August 15, 2023 through December 15, 2023 to ARP Mental Health. The charter school, however, did not provide copies of J. William's time and activity reports (TARs) for September 2023 as requested for review. Consequently, the employee's compensation is inadequately documented.

Pursuant to the Uniform Grant Guidance, charges to Federal awards for salaries and wages must be:

1. necessary, reasonable, and allocable to the Federal award;
2. adequately documented; and
3. based on records that accurately reflect the work performed.

In order to avoid potential monetary findings, TARs must be prepared by staff members whose salaries are funded in whole or in part by Federal awards. In addition, timesheets must be completed by employees paid on an hourly basis. The TARs and timesheets must reflect what grant-funded staff are doing, as well as when and where they are working. This documentation is necessary to verify that grant funded staff are performing activities allowable under each Federal award.

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 is required to upload copies of the records identified below to OFAC via the CFM Homeroom Application, as part of the submission of its CAP:

1. Timesheets and other documentation which support the payroll charges are summarized below and detailed on Attachment A .

Grant/Subgrant	Amount
ARP ESSER	21,417.47
ARP Accelerated Learning	2,520.00
ARP Beyond the School Day	1,640.00
Total	25,577.47

2. J. William's TAR for September 2023 to document the employee's compensation of \$21,880.13.

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If the charter school is unable to provide required documentation, the charter school must reverse the charges and submit copies of:

1. accounting records for the period March 13, 2020 through September 30, 2024 evidencing reversal of the total unallowable ARP ESSER and the applicable subgrant costs of \$45,817.60 (\$23,937.47 + \$21,880.13; and
2. spreadsheets in EXCEL format reconciling the accounting records from item 1 above and evidencing the exclusion of the aforementioned figure from the charter school's related FER.

Administrative Section

Finding 1:

The charter school submitted board policies for examination which address certain Uniform Grant Guidance provisions. Copies of certain board policies and the requisite written procedures to implement such policies, however, were not provided for review as requested. Examples include, but are not necessarily limited to:

- determining the allowability of costs in accordance with Federal cost principles and the terms and conditions of the Federal award; and
- the mandatory disclosure of all violations of Federal criminal law involving fraud (pertinent information relating to fraud follows), bribery, or gratuity violations potentially affecting the Federal award.

Pursuant to ESEA legislation, each recipient of a grant or subgrant under ESEA must display, in a public place, the hotline contact information of the Office of Inspector General of the Department of Education (USDEOIG) so that any individual who observes, detects, or suspects improper use of taxpayer funds can easily report such improper use.

Federal guidance relating to the prevention of fraud is accessible from [USDEOIG Brochures](#); scroll past multiple tables to the Brochures, Flyers & Posters (Download Free) section. Use this link, [For K-12: Preventing Fraud and Corruption in Federal Education \(2021\)](#), to access a video training presentation.

Citation(s):

ESEA §9203 Preventing Improper Use of Taxpayer Funds; Uniform Grant Guidance, 2 C.F.R. §200.214 Suspension and debarment, 2 C.F.R. §§200.302(b)(6)-(7) Financial management and 2 C.F.R. §§200.400 – 200.476 Subpart E - Cost Principles; and §200.113 Mandatory disclosures

Required Action(s):

The charter school must develop, revise, adopt and implement board policies and written procedures which address the requirements of the Uniform Grant Guidance,

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and include relevant citations and references to current legislation, where appropriate. The charter school may opt to utilize a vendor for the preparation and revision of the requisite board policies and procedures.

Finding 2:

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 3:

A number of purchase order voucher packets were selected and examined during monitoring. The charter school was unable to provide evidence that bids or quotes were obtained for various POs. Examples include PO numbers 202300402 and 202400016. These POs exceeded the threshold necessitating bids or quotes in accordance with:

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

When the Federal and State legislation and regulations governing procurement are in conflict, the most restrictive prevails. 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 4:

The charter school issued multiple purchase orders for the same services to a couple of vendors in lieu of soliciting bids and distributing one purchase order for provision of the services.

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Pursuant to State statutes, no contract in the aggregate which is single in character or which necessarily or by reason of the quantities required to effectuate the purpose of the contract includes the provision or performance of additional goods or services, shall be divided, so as to bring it or any of the parts thereof under the bid threshold, for the purpose of dispensing with the requirement of public advertising and bidding therefor.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §§200.317 - 327 Procurement Standards and N.J.S.A. 18A:18A-8 Contracts not to be divided

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 5:

A number of purchase orders were examined during the monitoring with dollar amounts equal to or greater than \$25,000.00. 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 whether the vendor is not debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. The covered transactions tested lacked any indication that verifications of this nature are being performed. Verifications may be accomplished by

1. checking the SAM Exclusions maintained by the General Services Administration and available at [SAM.gov | Home](https://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 written evidence demonstrating performance of the requisite verifications must be maintained. In addition to items 1 and 2 above, other examples of evidence include printouts of search results from SAM, imprints from an ink stamp, or Avery labels affixed to purchase orders memorializing performance of this verification.

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 \$25,000.00. In addition, the charter school must maintain written records evidencing performance of these verifications on file for monitoring and audit purposes.

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Finding 5:

The charter school charged a few expenditures to incorrect line items (also referred to as expenditure categories). Costs incurred for occupational and speech therapy (200-500) and an industrial floor scrubber (200-600) were recorded under the line items indicated in the parentheses. The costs should have been charged to line items 200-300 and 400-731, respectively.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.302 Financial Management, N.J.A.C. 6A:23A-16.2 Principles and directives for accounting and reporting and The Uniform Minimum Chart of Accounts for New Jersey Public Schools and Approved Private Schools for Students with Disabilities (UMCOA)

Required Action(s):

The charter school must adhere to the UMCOA and ensure expenditures are recorded in the general ledger or expenditure account detail under line items approved in the grant application.

Finding 6:

The charter school is not submitting reimbursement requests for one or more Federal awards on a monthly basis.

Citation(s):

Uniform Grant Guidance, 2 C.F.R. §200.305 Federal Payment 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. 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.

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Attachment A
Summary of Unsubstantiated Payroll Costs

Grant	Line Item	Date	Staff Member	Amount	Amount Supported	Difference
ARP ESSER	200-100	9/30/2023	Various	10,259.84	0.00	10,259.84
ARP ESSER	200-100	2/15/2024	Various	11,157.63	0.00	11,157.63
Sub-Total				21,417.47	0.00	21,417.47
ARP Accelerated	200-100	8/15/2023	K. Obiedzinski	1,260.00	0.00	1,260.00
ARP Accelerated	200-100	8/31/2023	K. Obiedzinski	1,260.00	0.00	1,260.00
Sub-Total				2,520.00	0.00	2,520.00
ARP Beyond the School	100-100	12/15/2023	S. Arias	500.00	400.00	100.00
ARP Beyond the School	100-100	12/15/2023	M. Hicks	500.00	400.00	100.00
ARP Beyond the School	100-100	12/15/2023	K. Keitt	600.00	480.00	120.00
ARP Beyond the School	100-100	12/15/2023	J. McDonald	250.00	200.00	50.00
ARP Beyond the School	100-100	12/15/2023	C. Messmer	600.00	480.00	120.00
ARP Beyond the School	100-100	12/15/2023	M. Moussa	250.00	200.00	50.00
ARP Beyond the School	100-100	12/15/2023	N. Kayla	500.00	400.00	100.00
ARP Beyond the School	100-100	12/15/2023	P. Muscari	500.00	0.00	500.00
ARP Beyond the School	100-100	12/15/2023	S. Salwa	500.00	0.00	500.00
Sub-Total				4,200.00	2,560.00	1,640.00
Total				28,137.47	2,560.00	25,577.47