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Department of Education
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West Cape May School District

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New Jersey K to 12 Education

**Collaborative Monitoring Report
September 2024**

District: West Cape May School District
County: Cape May
Dates Monitored: July 9, 10, 11 and 12, 2024
Case Number: CM-15-24

Funding Sources:

| Program | Funding Award |
|------------------------------------|----------------|
| Title I, Part A | 0 |
| Title I SIA | 0 |
| Title II, Part A | 770 |
| Title III | 0 |
| Title III Immigrant | 0 |
| Title IV, Part A | 0 |
| IDEA Part B, Basic and Preschool | 23,574 |
| ARP ESSER (includes all subgrants) | 194,235 |
| Perkins V | 0 |
| Total Funds | 218,579 |

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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 district for their intended purposes and achieving the overall objectives of the funding initiatives.

Introduction

The NJDOE visited the West Cape May School District (WCMSD or district) virtually, except where noted, to monitor the district's use of Federal funds. The NJDOE also examined related program plans, as applicable, to determine whether the district'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 WCMSD included staff interviews, as well as the review of documents and records related to the requirements of these programs:

- Title II, Part A (Title II-A);
- 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

The scope of work also included interviews with appropriate district staff regarding the administration of the aforementioned programs/grants.

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The grants and programs reviewed included Title II-A, IDEA Basic and IDEA Preschool from July 1, 2023 through June 26, 2024. In addition, ARP ESSER and all applicable subgrants were reviewed from commencement of the related project periods through June 26, 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 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.

WCMSD used its Title II-A funds for high quality professional development in English Language Arts and Mathematics.

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. The FY 2024 IDEA Basic funds were used to reduce district tuition costs for students receiving special educational services at Cape May County Special Services School District. IDEA Preschool funds were used to purchase instructional supplies and assistive technology for preschool students in the district receiving special education.

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.

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WCMSD used its ARP ESSER funds mainly for tuition costs and educational technology, such as software licenses.

In addition, subgrant funds were expended for teacher stipends for the performance of extended day/year activities, and instructional supplies and materials. Subgrant funds were also budgeted for teacher salaries and benefits, Chromebooks for students, and staff registration fees for English as a Second Language certification.

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.

Multiple Grants Section

There are no findings which warrant mention in this section.

Grant Specific Programmatic and Fiscal Section

Title II-A

The review of the district's 2023-2024 Title II-A programs yielded no programmatic or fiscal findings.

IDEA

The review of the district's 2023-2024 IDEA programs yielded no programmatic findings, and a fiscal finding which is more broadly addressed in the next section.

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ARP ESSER and Applicable Subgrants

ARP Accelerated Learning

Finding 1:

The accounting records provided for examination for ARP Accelerated Learning¹ could not be reconciled to the amounts claimed for reimbursement purposes and the supporting documentation for the reimbursement requests was not provided as requested. Of note, the district submitted reimbursement request (RR) one on July 1, 2023 for total expenditures of \$21,999.00. This figure exceeded the dollar amount of actual expended of \$11,103.23 as of June 30, 2024 and what was supported by underlying accounting records. The resulting difference of \$10,895.77 represents an early draw-down of funds.

Pursuant to the Uniform Grant Guidance, LEAs must 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.*

In regard to number 2 above, the district should only request the reimbursement of expenditures for invoices in hand and determined to be accurate.

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 district 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, after submission of its Final Expenditure Report (FER) or corrective action plan (CAP), whichever occurs first:

1. accounting records for ARP Accelerated Learning for the period of March 13, 2020 through September 30, 2024; and
2. a spreadsheet reconciling their ARP Accelerated Learning expenditures for Final Expenditure Report (FER) purposes.

¹ The abbreviation "ARP Accelerated Learning" stands for Accelerated Learning Coaching and Educator Support grant.

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ARP Summer Learning and ARP Mental Health

Finding 1:

The district was asked to provide accounting and payroll records to support the compensation paid to staff members with Federal funds on payroll dates selected for testing. The district posted FY 2023 payroll costs to an Account Analysis - Location Order - Selected - Specific Date (Account Analysis) report for a selected date which exceeded the amounts substantiated by timesheets, as summarized below:

| Grant | Line Item | Date | Amount | Amount Substantiated | Difference |
|----------------------------------|-----------|-----------|----------|----------------------|------------|
| ARP Summer Learning ² | 100-100 | 7/15/2022 | 4,448.00 | 1,812.00 | 2,636.00 |
| Total | | | 4,448.00 | 1,812.00 | 2,636.00 |

During the monitoring visit, the district provided a Payroll Expense Reports (PER) for July 15, 2022 which *summarizes* payroll costs by account numbers. Although the district highlighted certain figures on the PER, the documentation could not be reconciled to the disbursement adjustments recorded on district Account Analysis reports. In lieu of the PER noted, copies of *detailed* reports which disaggregate by account number the payments disbursed to each employee for July 15, 2022 is required for examination.

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, time and activity reports (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

² The abbreviation “ARP Summer Learning” stands for Evidence-Based Summer Learning and Enrichment Activities Grant.

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Required Action(s):

The district is required to upload copies of the records identified below to OFAC via the CFM Homeroom Application, after submission of its corresponding FER or CAP, whichever occurs first:

1. Timesheets which support ARP Summer Learning payroll charges of \$2,636.00; and
2. A detailed payroll report for July 15, 2022 that is organized as described in this finding.

If the district is unable to provide required documentation, the district 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 unallowable ARP Summer Learning payroll expenditures of \$2,636.00; and
2. spreadsheets in EXCEL format reconciling the accounting records from item 1 above and evidencing the exclusion of the aforementioned figure from the district's corresponding FER.

Finding 2:

The district cumulatively transferred ARP Summer Learning funds of \$7,846.22 or 19.62% of its entire allocation from multiple line items to a new line item, 100-100. In addition, the district appropriated ARP Mental Health grant funds among three line items in accordance with its approved budget. In FY 2024, the district transferred the entire allocation of \$45,000.00, to line item 100-100 in which no funds were previously budgeted. In both cases, the district did not file an amendment application as required for cumulative transfers in excess of 10% of the Federal award and opening new line items.

Citation(s):

Education Department General Administrative Regulations, 34 C.F.R. §76.700
Compliance with the U.S. Constitution, statutes, regulations, stated institutional policies and regulations and [ESSER I, II, and III Funding – Grant Specific Information](#)

Required Action(s):

This report of examination was issued after the June 14, 2024 deadline for filing an American Rescue Plan Consolidated Grant amendment application, therefore no further action is necessary.

Going forward, the district must implement procedures to ensure appropriate amendment applications are filed prior to NJDOE deadlines and transferring funds in excess of 10% of the total allocation or opening new budget line items.

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Administrative Section

Finding 1:

The district submitted board policies for examination which address certain Uniform Grant Guidance provisions. Copies of the requisite written procedures to implement such policies, however, were not provided for review as requested or were inadequate. 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 district must develop, revise, adopt and implement board policies and written procedures which address the requirements of the Uniform Grant Guidance, and include relevant citations and references to current legislation, where appropriate. The district 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 district 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.

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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:

The district 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 district is required to submit reimbursement requests on a monthly basis. In addition, the district 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.