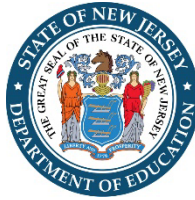


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Neptune City School District

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New Jersey K to 12 Education

**Collaborative Monitoring Report
June 2026**

District: Neptune City School District
County: Monmouth
Dates Monitored: March 17, 18, 19 and 20, 2026
Case Number: CM-08-26

Funding Sources:

Program	Funding Award
Title I, Part A	171,794
Title I SIA	0
Title II, Part A	0
Title III	0
Title III Immigrant	1,368
Title IV, Part A	0
IDEA Part B, Basic and Preschool	132,305
Perkins V	0
Total Funds	305,467

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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 Neptune City School District (NCSD 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 NCSD 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-A);
- Title III Immigrant;
- Title IV, Part A (Title IV-A); and
- IDEA Part B - Basic and Preschool.

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

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

Expenditures Reviewed

The grants and programs reviewed included Title I, Title II-A, Title III, Title III Immigrant, Title IV-A and IDEA Basic and Preschool from July 1, 2025 through March 31, 2026. A sampling of purchase orders and/or salaries and wages was selected from each program and reviewed for examination.

General Overview of Used 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.

NCSD is a K–8 district that is using its FY 2026 Title I funds to implement a targeted assistance program in its school. In FY 2026, the district expended Title I funds to partially fund the salaries of two teachers and fully fund the salary of another teacher.

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.

NCSD transferred its Title II, Part A funds to Title I, Part A to support basic skills needs and address budgetary priorities aligned with improving student academic achievement.

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;

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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 2026, the district is participating in a Title III, Part A consortium because its individual Title III, Part A allocation is less than \$10,000. The district does not serve as the lead agency or fiscal agent; therefore, its funding does not appear in the NJGMS¹ and is instead reflected in the lead agency’s budget. Nevertheless, the district is still required to meet all programmatic requirements associated with Title III, Part A.

Title III Immigrant Projects

The purposes of the Title III Immigrant program include:

1. family literacy, parent and family outreach, and training activities designed to assist parents and families to become active participants in the education of their children;
2. recruitment of, and support for, personnel, including teachers and paraprofessionals who have been specifically trained, or are being trained, to provide services to immigrant children and youth;
3. provision of tutorials, mentoring, and academic or career counseling for immigrant children and youth;

¹ New Jersey Grants Management System

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4. identification, development, and acquisition of curricular materials, educational software, and technologies to be used in the program carried out with awarded funds;
5. basic instructional services that are directly attributable to the presence of immigrant children and youth in the local educational agency involved, including the payment of costs of providing additional classroom supplies, costs of transportation, or such other costs as are directly attributable to such additional basic instructional services;
6. other instructional services that are designed to assist immigrant children and youth to achieve in elementary schools and secondary schools in the United States, such as programs of introduction to the educational system and civics education; and
7. activities, coordinated with community-based organizations, institutions of higher education, private sector entities, or other entities with expertise in working with immigrants, to assist parents and families of immigrant children and youth by offering comprehensive community services.

In FY 2026, the district is using Title III Immigrant funds to purchase classroom supplies for MLs.

Title IV-A Projects

The purpose of Title IV-A is to improve students' academic achievement by increasing the capacity of LEAs to:

1. provide all students with access to a well-rounded education;
2. improve school conditions for student learning; and
3. improve the use of technology in order to improve the academic achievement and digital literacy of all students.

NCSD transferred its Title IV, Part A funds to Title I, Part A to support basic skills needs and address budgetary priorities aligned with improving student academic achievement.

IDEA

The purpose of the IDEA Grant is to provide Federal entitlement funds to assist with the excess cost of providing special education and related services to students with disabilities. FY 2026 IDEA Basic funds are being used to reduce district tuition costs for students receiving special education services in approved private schools for students with disabilities. IDEA Preschool funds are being used to partially fund the salary of a staff member who supports preschool students with disabilities.

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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

IDEA Basic and Preschool

Finding 1:

Prior to the monitoring visit, the district provided for examination copies of accounting records for IDEA Basic and Preschool. The records reflected disbursement adjustments equal to the district's IDEA Basic and Preschool allocations of \$126,383 and \$5,922, respectively, instead of specific purchases orders and/or periodic payroll charges.

During the visit, the district submitted copies of purchase orders and related documentation to substantiate expenditures allocated to IDEA Basic. In addition, the district decided to partially fund 25% of a paraprofessional's salary of \$22,894 with IDEA Preschool funds, totaling \$5,724 (rounded to the nearest dollar). Time and activity reports were provided which support the paraprofessional's salary funding percentage. Because this modification necessitated the opening of a new line item, the district was requested to submit an amendment application in accordance with departmental guidance. An amendment application was not filed, and the filing period has since closed.

Charging allowable expenditures *directly* to the accounts established for these Federal awards is crucial for proper grant administration and facilitates effective monitoring and audits.

Pursuant to the Uniform Grant Guidance, the district's financial management system must maintain records that sufficiently identify the amount, source, and expenditure of Federal funds. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.

In addition, the Education Department General Administrative Regulations (EDGAR) requires LEA to, among other things, keep records that facilitate an effective audit.

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Citation(s):

Uniform Grant Guidance, §200.302(b)(3) Financial management and EDGAR, §76.730(e)
Records related to grant funds

Required Action(s):

As part of the corrective action plan follow-up process, the district is required to:

1. upload copies of accounting records which properly and accurately account for its FY 2027 IDEA and Preschool funds via the Collaborative Federal Monitoring (CFM) Homeroom application by November 16, 2026; and
2. refer to the [NJGMS Getting Started Guide: Creating ESEA and IDEA Revisions](#) and submit an amendment application or revision if necessary.

Finding 2:

The district submitted one reimbursement request each for IDEA Basic and Preschool in the amounts of \$126,383 and \$5,922, representing the full allocations. For IDEA Basic, issuing a single purchase order (PO) for allowable program costs that required multiple payments, or more than one PO, would have enabled the district to submit reimbursement requests more frequently. For context, LEAs that did submit reimbursement requests across all five quarters of the project period July 1, 2023 through September 30, 2024 accrued additional points during NJDOE's annual risk assessment process in 2025.

Regarding IDEA Preschool, the amount claimed for reimbursement exceeded the prorated payroll costs of \$4,006.80² as of the March 31, 2026 end period expense date. This overstatement resulted from the inclusion of calculated payroll costs of \$1,717.20³ for April through June 2026. The remaining difference of \$198⁴ was not supported by actual expenditures.

Pursuant to the Uniform Grant Guidance, all costs charged to Federal awards must be adequately documented. Additionally, LEAs are required to 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:

² This figure equals the employee's grant funded salary of \$5,724 times 14 payroll periods which occurred from September 2025 through March 2026 divided by 20 payroll periods.

³ This figure equals the employee's grant funded salary of \$5,724 times 6 payroll periods that had not yet occurred during the monitoring visit (April through June 2026) divided by 20 payroll periods.

⁴ The residual difference equals the total grant allocation of \$5,922 minus \$4,006.80 and \$1,717.20.

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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 [NJDOE Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures](#)

Required Action(s):

After submission of its FY 2026 Final Expenditure Report (FER) for IDEA Preschool, the district is required to submit copies of the following documentation via the CFM Homeroom Application:

1. IDEA Preschool Account Analysis report for the period July 1, 2025 through September 30, 2026 which:
 - a) reflect all expenditures and payments for the period noted; and
 - b) substantiate the sum of expenditures reported by the district on its FERs.
2. Excel spreadsheets that reconcile the accounting reports from item 1b) to the amounts reported on the corresponding FER.

If the district is unable to submit this documentation, the CFM Team Lead will provide the district with specific instructions for the remittance of any unsubstantiated amount via separate correspondence.

Finally, 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 United States Department of Education, and/or their authorized representatives upon request.

Grant Specific Programmatic and Fiscal Section

Title I

Finding 1:

The district provided evidence that it is engaging Title I parents and families in the academic performance and achievement of their children. However, the district has not sufficiently demonstrated that it is fully building capacity for Title I parents and family members as stated in ESEA Section 1116(e).

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Citation(s):

ESEA § 1116(e) Parent and Family Engagement: Building Capacity for Involvement

Required Action(s):

The district must develop and implement processes to ensure it will build the capacity of the parents and family members of Title I-eligible students as required under ESEA Section 1116(e). Title I parents and families should be provided with assistance, separate from the Title I annual meeting, to help them understand such topics as the challenging State academic standards, State and local assessments, the requirements of Title I, Part A, and how to monitor their child's progress and work with educators to improve the achievement of their children.

The district is required to do the following:

1. review the ESEA legislation to gain an enhanced understanding of the requirements under ESEA § 1116.
2. develop a professional development plan for teachers and other school leaders that addresses how to engage with the parents of Title I-eligible students as equal partners; and
3. create and implement programs, events, materials, and/or training specific to Title I, Part A that will help parents and family members understand the State academic standards, State and local assessments, and Title I requirements and will engage parents in ongoing activities that will improve student academic achievement.

Title II-A

The review of the district's 2025-2026 Title II-A programs yielded no programmatic or fiscal findings.

Title III

The review of the district's 2025-2026 Title III programs yielded no programmatic findings, the recommendation below and no fiscal findings.

Programmatic Recommendation(s):

The district's process to identify eligible students as multilingual learners consists of the state's standardized multi-step process and reporting students in the New Jersey Statewide Longitudinal Education Data System (NJSLEDS). The NJDOE recommends that the district strengthen its process to correctly identify eligible students as MLs and immigrant students by regularly reviewing district procedures and implementation. In addition, the NJDOE suggests the district reviews the student identification management and student assessment registration

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handbooks in NJSLEDS, including the definitions and acceptable values for all data elements, to improve data quality for student identification and exit status as multilingual learners. The district can access user resources, training, and webinars at [NJSLEDS](#).

Title III Immigrant

The review of the district's 2025-2026 Title III Immigrant programs yielded no programmatic or fiscal findings.

Title IV-A

The review of the district's 2025-2026 Title IV-A programs yielded no programmatic or fiscal findings.

IDEA

The review of the district's 2025-2026 IDEA programs yielded no programmatic findings and fiscal findings which are discussed in the Multiple Grants Section.

Administrative Section

Finding 1:

The district submitted board policies for examination which address certain Uniform Grant Guidance provisions. Some of the policies omitted relevant Uniform Grant Guidance (UGG) citations such as the district's policy on travel.

Moreover, the district did not provide written cost allowability procedures necessary to implement the district's cost allowability policy. To be compliant, such procedures cannot simply reiterate the Federal requirements or policies or goals.

Rather, the procedures should be robust and clearly identify roles and responsibilities. They should also provide a series of steps to be followed for determining the allowability of costs in accordance with Federal cost principles and the terms and conditions of the Federal award. Steps that—

- offer a detailed description of activities;
- describe the process used throughout the entire grant life cycle, including the proper submission of applications and amendments in accordance with department instructions; and
- serve as guide and training tool for employees.

Citation(s):

Uniform Grant Guidance, §200.302(b)(6)-(7) Financial management, §§200.400 – 200.476 Subpart E - Cost Principles and §200.475 Travel costs

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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:

The district did not provide copies of a recent Board Secretary Report (BSR) and Treasurer's Report for one month as requested prior to, during and after the monitoring visit. Consequently, a reconciliation could not be performed to determine whether the district's cash balances, general ledger activity, and bank accounts were in agreement.

State regulations and statutes require that the board secretary prepare and present monthly financial reports and that the district perform timely reconciliations to ensure the accuracy of financial records.

Citation(s):

N.J.S.A. 18A:17-9 Monthly reconciliation of bank account statements; report by secretary and N.J.A.C. 6A:23A-16 Fiscal Accountability, Efficiency, and Budgeting Procedures

Required Action(s):

As part of the submission of its CAP, the district must upload copies of its most recent BSR and Treasurer's report via the CFM Homeroom Application for reconciliation purposes.

Advisory Notice

Preventing Improper Use of Taxpayer Funds

Pursuant to ESEA §9203(1), 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.

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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 me via phone at (609) 376-3608 or via email at lisa.mccormick@doe.nj.gov.