



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

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Lt. Governor

DAVID C. HESPE
Acting Commissioner

August 1, 2014

Dr. Patricia McGeehan, Superintendent
Bayonne Public Schools
669 Avenue A
Bayonne, NJ 07002

Dear Dr. McGeehan:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Bayonne Board of Education**. The funding sources reviewed include titled programs for the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act (IDEA). The review covered the period July 1, 2012 through May 31, 2014. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued Consolidated Monitoring Reports will be posted on the department's website at <http://www.state.nj.us/education/finance/jobs/monitor/consolidated>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Bayonne Board of Education is required, pursuant to N.J.A.C. 6A:23A-5.6, to publicly review and discuss the findings in this report at a public board meeting no later than 30 days after receipt of the report. Within 30 days of the public meeting, the board must adopt a resolution certifying that the findings were discussed in a public meeting and approving a corrective action plan which addresses the issues raised in the undisputed findings and/or an appeal of any **monetary** findings in dispute (emphasis added). A copy of the resolution and the approved corrective action plan and/or appeal must be sent to this office within 10 days of adoption by the board. Direct your response to my attention.

Also, pursuant to N.J.A.C. 6A:23A-5.6(c), you must post the findings of the report and the board's corrective action plan on your district's website.

By copy of this report, your auditor is requested to comment on all areas of noncompliance and recommendations in the next certified audit submitted to the New Jersey Department of Education. If you have any questions, please contact Steven Hoffmann at (973) 621-2750.

Sincerely,

Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance

RJC/SH/dk:Bayonne BOE Cover Letter/consolidated monitoring
Enclosures

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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
AUGUST 2014**

District: Bayonne Public Schools
County: Hudson
Dates On-Site: June 24, 25 and 26, 2014
Case #: CM-023-13

FUNDING SOURCES

Program	Funding Award
Title I	\$ 2,467,466
IDEA Basic	2,343,749
IDEA Preschool	53,863
Title IIA	348,345
Title III	73,126
Title III Immigrant	99,274
Total Funds	<hr/> <hr/> \$ 5,385,823

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

BACKGROUND

The Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Act (IDEA) and other federal laws require local education agencies (LEAs) to provide programs and services to their districts based on the requirements specified in each of the authorizing statutes (ESEA and IDEA). The laws further require that state education agencies such as the New Jersey Department of Education (NJDOE) monitor the implementation of federal programs by sub recipients and determine whether the funds are being used by the district for their intended purpose and achieving the overall objectives of the funding initiatives.

INTRODUCTION

The NJDOE visited the Bayonne Public Schools to monitor the district's use of federal funds and the related program plans, where applicable, to determine whether the district's programs are meeting the intended purposes and objectives, as specified in the current year applications and authorizing statutes and to determine whether the funds were spent in accordance with the program requirements, federal and state laws, and applicable regulations. The on-site visit included staff interviews and documentation reviews related to the requirements of the following programs: Title I, Part A (Title I); Title II, Part A (Title II); Title III; Title III Immigrant and IDEA Basic and Preschool for the period July 1, 2012 through May 31, 2014.

The scope of work performed included the review of documentation including grant applications, program plans and needs assessments, grant awards, annual audits, board minutes, payroll records, accounting records, purchase orders, a review of student records, classroom visitations and interviews with instructional staff to verify implementation of Individualized Education Programs (IEP), a review of student class and related service schedules, interviews of child study team members and speech-language specialists and an interview of the program administrator regarding the IDEA grant, as well as current district policies and procedures. The monitoring team members also conducted interviews with district personnel, reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews.

EXPENDITURES REVIEWED

The grants reviewed included Title I, Title II, Title III; Title III Immigrant and IDEA Basic and Preschool from July 1, 2012 through May 31, 2014. A sampling of purchase orders and/or salaries was taken from each program reviewed.

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

Title I Projects

Title I funds are utilized to provide supplemental educational assistance beyond the regular classroom to academically at-risk students. Funds were used to support after school reading and mathematics extended day classes for grades three through eight. In addition, Title I students in grades Kindergarten through four received in-class support in language arts and mathematics. Expenditures included teacher salaries and benefits and instructional supplies.

IDEA Projects

The district utilized the FY 2012-2013 and FY 2013-2014 IDEA Basic funds for salaries for teachers and child study team members and instructional supplies. In addition, the district utilized 15 percent of FY 2013-2014 IDEA funds for coordinated early intervening services for professional development and for direct services to students at risk after school two times per week in the areas of reading, language arts and mathematics. Nonpublic funds were utilized for the purchase of instructional supplies.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district did provide evidence of a district level Parental Involvement Policy; however, it could not provide evidence of school-level parental involvement policies. The annual review and current board adoption plus the school-level policies allow parents and other stakeholders to impact the parental involvement process and identify the unique needs of the Title I schools and parents of Title I students.

Citation: ESEA §1118(a)(2): *Parental Involvement (Written Policy)*; ESEA §1118(b): *Parental Involvement (School Parental Involvement Policy)*.

Required Action: The district must have both written district and school-level parental involvement policies that are evaluated annually. The district should provide technical assistance to its schools in the development of school-level parental involvement policies and ensure that its schools work with their stakeholder groups to develop the policies and review it annually. Copies of recent board approved school-level policies for each school must be submitted to the NJDOE for review. Evidence of the annual review that is submitted to the NJDOE must be documented with dated meeting agenda, titled and dated sign in sheets as well as clearly identified minutes for each school and district meeting held.

Finding 2: The district provided partial evidence (agenda only) that its schools convened the annual Title I parent meeting. The meetings that occurred, as evident by an agenda, did not fulfill the legislative requirements. Additionally, the district could not provide sign in sheets or

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

minutes to further verify the meeting content. Conducting an annual meeting without explaining the Title I legislation and the district's Title I programs did not allow parents of identified Title I students to be informed and vested in the Title I process.

Citation: ESEA §1118(c)(1): *Parental Involvement (Policy Involvement)*.

Required Action: The district must ensure that its schools convene their FY 2014-2015 annual Title I meetings for the parents/guardians of identified Title I students no later than the middle of October. The district must submit evidence, including the invitational letter/flyer, agenda, meeting minutes, and sign in sheets for each Title I school, to the NJDOE for review.

Finding 3: The notification letters sent to the parents/guardians of identified Title I students did not include clearly defined entrance and exit criteria. The letters must be consistent across the board for all schools. Additionally, data supporting Title I student identification needs to be in alignment with the participation letters and identified criteria. The parents/guardians of identified Title I students must be informed of the multiple educationally related criteria used to identify their child/children for Title I services and the criteria used to determine successful completion of the program.

Citation: ESEA §1115(b)(1)(B): *Targeted Assistance Programs (Eligible Children from Eligible Population)*.

Required Action: The district must include in its parental notification letters clearly defined entrance and exit criteria for the Title I program. Additionally, the district must maintain complete data files to support the identification criteria used in student selection as well as the entrance and exit date from the program. The district must provide a copy of its revised FY 2014-2015 parental notification letter and data sheets to the NJDOE for review.

Finding 4: The timesheets for the Title I Coordinator and staff providing oversight did not clearly identify the duties being carried out. The documentation must reflect the duties/activities of the coordinator and staff to ensure that funded staff are actually performing allowable grant activities.

Citation: OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments (Compensation for personal services)*.

Required Action: The district must revise the time and activity sheets for staff to clearly reflect when services charged to the grant are occurring. The district must submit copies of the revised time and activity sheets to the NJDOE for review.

Finding 5: The district forms that were presented represented the Title I nonpublic and Chapter 192 as one program. The district could not provide a clear delineation between the two programs, the criteria used to identify eligible student for each and services delivered. The two

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

programs (one state funded and one federally funded) must be administered separately and have separate distinct criteria, have a distinct service menu and clearly mapped funding strand. All documentation related to the Title I and Chapter 192 programs needs to be clearly identifiable and reflect the differences between the two programs.

Citation: ESEA §1120 and §9501 and §200.63 of the Title I regulations.

Required Action: In order to alleviate the issues of supplanting, the comingling of state and federal programming and funding, the district must provide NJDOE with evidence that the Title I Nonpublic Program and Chapter 192 are operating as two distinct programs. The district must revise all forms which reflect the joint “ESEA-NCLB/Chapter 192-193...” programs. Additionally, the district must provide the NJDOE with evidence that all funds have been isolated and in FY 2014-2015 will be expended according to the guideline of the funding agency. In order to ensure timely, ongoing, and meaningful nonpublic school consultation, it is required that the district institute steps to enhance its record keeping of its ongoing contact with nonpublic school officials. The district must submit to the NJDOE all documentation to verify that consultation was timely, ongoing and meaningful, covered all appropriate topics, and resulted in a Title I program design that has a reasonable expectation of success. The district should review the NJDOE and/or USDE guidance on the provision of equitable services to eligible nonpublic schoolchildren to ensure all requirements and maintenance of records are satisfied. The district should review NJDOE Nonpublic School Documentation, which is available at: <http://www.nj.gov/education/grants/entitlement/nclb/>.

Finding 6: Purchase orders reflected evidence of workbooks purchased for summer use by Title I public and nonpublic students were split funded with Title I and Chapter 192 funds. The district indicated that the workbooks were an expenditure from the nonpublic parental involvement set-aside. However, the district actually used Chapter 192 funds for the purchase. Chapter 192 does not have a parental involvement component, therefore negating the purchase of workbooks as a parental involvement strategy.

Citation: ESEA §1120 and §9501 and §200.63 of the Title I regulations.

Required Action: The district must reverse the charges for the summer parental involvement mathematics workbooks and allocate state/local funds for those costs. In addition, the district must provide evidence of the journal entry to reverse the expenditure to the NJDOE for review. The district’s FY 2013-2014 Title I final expenditure report must reflect adjusted use of Title I funds.

Title II

A review of the expenditures charged to the Title II grant yielded no findings.

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

Title III

A review of the expenditures charged to the Title III grant yielded no findings.

Title III Immigrant

A review of the expenditures charged to the Title III Immigrant grant yielded no findings.

IDEA (Special Education)

Finding 7: In both the 2012-2013 and 2013-2014 grant years, the district did not enter into contracts with all agencies or independent consultants that provide services directly to students.

Citation: EDGAR, PART 80—*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

Required Action: The district must enter into a contract with all agencies or consultants where services are being provided. Contracts must include a per-service or hourly rate and a not to exceed amount. All contracts must be presented before the board for approval.

Finding 8: The Service Plans (SPs) for students with disabilities in nonpublic settings did not specify the funding sources; IDEA Basic nonpublic proportionate share and/or Chapter 193, for services provided.

Citation: IDEA Regulations 34CFR §300.130-300.144; Chapter 192 and 193 Programs for Nonpublic School Students 2011-2012.

Required Action: All SPs must be revised to reflect the correct funding source for each service.

IDEA Program

Finding 9: The district did not conduct meetings within 20 calendar days of receipt of a written request for evaluation for students referred for special education and related services and for students referred for speech-language services. Most referrals that did not meet time lines were referrals that were received during the summer months; which are not excused from the 20 day time line requirement.

Citation: N.J.A.C. 6A:14-3.3(e) and 3.3(e)4.

Required Action: The district must ensure a meeting is conducted within 20 calendar days of receipt of a written request for evaluation to determine if an evaluation is warranted. In order to demonstrate correction of noncompliance, the district must conduct

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review documentation of identification meetings conducted between January 2015 and March 2015, and to review the oversight procedures.

Finding 10: The district did not consistently provide notice of a meeting to parents of students referred and/or eligible for special education and related services and students referred and/or eligible for speech-language services.

Citation: N.J.A.C. 6A:14-2.3(j) and (k)3 and 5 and 5; 20 U.S.C. §1414(b)(1); and 34 CFR §300.304(a).

Required Action: The district must provide parents notice of a meeting in writing that contains all required components, early enough to ensure they have an opportunity to attend. In order to demonstrate correction of noncompliance, the district 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 an on-site visit to interview staff, review documentation for meetings conducted between January 2015 and March 2015, and to review the oversight procedures.

Finding 11: The district did not consistently convene meetings with required participants for students referred and/or eligible for special education and related services and for students referred and/or eligible for speech-language services.

Citation: N.J.A.C. 6A:14-2.3(k)1-2; 3.3(e); 20 U.S.C. §1414(d)(1)(B); and 34 CFR §300.321(a).

Required Action: The district must ensure meetings are conducted with required participants and documentation of participation is maintained in students' records. In order to demonstrate correction of noncompliance, the district 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 an on-site visit to interview staff, review meeting documentation, including the sign in sheets, for meetings conducted between January 2015 and March 2015, and to review the oversight procedures.

Finding 12: The district did not consistently provide parents written notice that contains all required components, within 15 calendar days following meetings for students eligible for special education and related services and for students eligible for speech-language services.

Citation: N.J.A.C. 6A:14-2.3(f-i); 20 U.S.C. §1414(b)(1); and 34 CFR §300.304(a).

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

Required Action: The district must ensure that parents are provided written notice of a meeting that contains all required components within 15 calendar days of the meeting. In order to demonstrate correction of noncompliance, the district 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 an on-site visit to interview staff, review provision of written notice following meetings conducted between January 2015 and March 2015, and to review the oversight procedures.

Finding 13: The district did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for students referred for speech-language services. Initial evaluation reports did not consistently include observation in a non-testing setting, teacher interview, developmental/educational history, and a review of prior interventions.

Citation: N.J.A.C. 6A:14-3.4(f)4(i and iii) and (g)1-4; 20 U.S.C. §1414(b)(4) and (5); and 34 CFR §300.306(c)(i).

Required Action: The district must ensure all components of the functional assessment are conducted as part of all initial evaluations. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. Monitors from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports for students evaluated between January 2015 and March 2015, and to review the oversight procedures.

Finding 14: The district 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: N.J.A.C. 6A:14-2.5(b) 6, 3.4(g)3, and 3.6(b).

Required Action: The district must ensure that a multidisciplinary evaluation is conducted for students referred for speech-language services by obtaining a 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 district must conduct training for speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. Monitors from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports for students evaluated between January 2015 and March 2015, and to review the oversight procedures.

Finding 15: The district did not consistently ensure that students were found eligible for speech-language services in accordance with the criteria set forth in N.J.A.C 6A:14. The district did not document in either the initial IEP or in eligibility documentation, the criteria used to determine eligibility for the category of speech-language services.

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

Citation: N.J.A.C. 6A:14-3.6(a-c).

Required Action: The district must ensure that students found eligible for speech-language services meet the criteria as defined in N.J.A.C. 6A:14-3.6(a-b). In order to demonstrate correction of noncompliance, the district must conduct training for 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 an on-site visit to interview staff, review documentation of eligibility from meetings conducted between January 2015 and March 2015, and to review the oversight procedures.

Finding 16: The district 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, IEPs did not consistently include:

- a comparison of benefits in the general education setting and the special education setting;
- the potentially beneficial or harmful effects which a placement in general education may have on the students with disabilities or other students in the class; and
- for those students placed in separate settings, activities to transition the student to a less restrictive environment.

Citation: N.J.A.C. 6A:14-4.2 (a)8(ii and iii) and 3.7(k).

Required Action: The district must ensure that 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 district 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 district must conduct training for child study team members regarding the district's procedures and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise the IEPs for specific students with IEPs that were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, a random sample of additional IEPs developed at meetings conducted between January 2015 and March 2015, and to review the oversight procedures. The names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

Finding 17: The district did not consistently document in IEPs for students eligible for special education and related services ages 16 or above, evidence that measurable postsecondary goal(s) were based on age appropriate transition assessments.

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

Citation: N.J.A.C. 6A:14-3.7(e)12.

Required Action: The district must ensure that each student with an IEP age 16 or above includes evidence that postsecondary goals were based on age appropriate transition assessments. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the transition components in IEPs of students ages 16 and above developed at meetings held between January 2015 and March 2015, and to review the oversight procedures.

Finding 18: The district did not consistently provide to parents of students eligible for special education and related services written notice of graduation and a summary of academic achievement and functional performance containing all required components prior to graduating or exiting.

Citation: N.J.A.C. 6A:14-4.11(b)1.

Required Action: The district must ensure that written notice of graduation and a summary of academic achievement and functional performance containing required components are provided prior to graduating or exiting. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review notice of graduation and the summary of academic achievement and functional performance provided to students prior to graduating or exiting in the 2014-2015 school year, and to review the oversight procedures.

Finding 19: The district did not consistently document required statements and considerations in the IEPs of students eligible for special education and related services and students eligible for speech-language services.

IEPs for students eligible for special education and related services did not include:

- most recent evaluation results in the Present Levels of Academic Achievement and Functional Performance (PLAAFP);
- how the student's disability effects involvement and progress in the general education setting; and
- consideration of needs in the areas of behavior, language, communication, assistive technology, Braille, and deaf or hard of hearing;

IEPs for students eligible for speech-language services did not include:

- how the student's disability effects involvement and progress in the general education setting;

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

- student's strengths;
- consideration of needs in the areas of behavior, language, communication, assistive technology, Braille, and deaf or hard of hearing;
- progress towards annual goals;
- statement of how parents would be informed of progress;
- supports for school personnel; and
- documentation of participation in statewide assessments, and accommodations and modifications for assessments.

Citation: N.J.A.C. 6A:14-3.7(c)3, (e)1(i), (c) (4-9), and 3.7(c)1.

Required Action: The district must ensure that IEPs include all considerations and required statements. In order to demonstrate correction of noncompliance, the district 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. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise the IEPs for specific students with IEPs that were identified as noncompliant. A monitor from the NJDOE will conduct an on-visit to interview staff, review the revised IEPs, a random sample of additional IEPs developed at meetings conducted between January 2015 and March 2015, and to review the oversight procedures. The names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

Finding 20: The district did not ensure child study team participation at the planning conferences of students transitioning from an early intervention program to preschool.

Citation: N.J.A.C. 6A:14-3.3(e)1; 20 U.S.C. §1414(d)(1)(D); and 34 CFR §300.321(f).

Required Action: The district must ensure that a member of the child study team participates in the planning conferences for each student transitioning from early intervention to preschool. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review documentation of child study team participation at the planning conferences of students transitioning from an early intervention program to preschool conducted between January 2015 and March 2015, and to review the oversight procedures.

Administrative

Finding 21: On several occasions, the district failed to issue a purchase order prior to goods being purchased or services being rendered (confirming order). District policy and state regulations require that a properly executed purchase order be issued prior to the purchase of goods or the rendering of services.

**BAYONNE PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2014**

Citation: EDGAR, PART 80-*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems. N.J.S.A. 18A:18A(2)(v) *Public School Contracts Law*.

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

Finding 22: The district charged several equipment purchases to the incorrect general ledger account. Equipment purchases with a total unit cost in excess of \$2,000 were improperly charged to supplies and supply purchases less than \$2,000 were improperly charged to equipment. New Jersey regulations and district policy require that equipment with a unit cost greater than \$2,000 be charged as equipment and inventoried.

Citation: Uniform Minimum Chart of Accounts for New Jersey Public Schools, EDGAR, PART 80—*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

Required Action: The district should charge all equipment purchases of \$2,000 or greater to an equipment account. Ancillary costs, such as installation and delivery, should be included in the unit cost. Purchases with unit costs less than \$2,000 should be charged to supplies.

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

If you have any questions, please contact Steven Hoffmann via phone at (973) 621-2750 or via email at steven.hoffmann@doe.state.nj.us.