



State of New Jersey

DEPARTMENT OF EDUCATION

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*Acting Commissioner*

April 4, 2012

Mr. Joseph Abate Jr.  
Interim Superintendent  
Hackensack Board of Education  
191 Second Street  
Hackensack, NJ 07601

Dear Mr. Abate:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Hackensack Board of Education**. The funding sources reviewed include titled programs for the Education Jobs Act of 2010 (Ed Jobs) in particular, and/or Elementary and Secondary Education (ESEA) and the Individuals with Disabilities Education Act (IDEA). The review covered the period July 1, 2010 through November 30, 2011. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued Ed Jobs monitoring reports will be posted on the department's website at <http://www.state.nj.us/education/finance/jobs/monitor/>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Hackensack 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:Hackensack BOE Cover Letter/Ed Jobs  
Enclosures

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**Education Jobs Fund Program**  
*New Jersey K-12 Education*

EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
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**District:** Hackensack Public Schools  
**County:** Bergen  
**Dates On-Site:** December 5, 6 and 7, 2011  
**Case #:** Ed Jobs-007-11

**FUNDING SOURCES**

<u>Program</u>	<u>2011/2012 Funding Award</u>
Ed Jobs	\$ 470,169
Title I	1,204,167
IDEA Basic	1,262,923
IDEA Preschool	49,427
Title IIA	212,407
Title IID	7,969
Title III	95,944
Title III Immigrant	135,381
Total Funds	<u><u>\$3,438,387</u></u>

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**BACKGROUND**

The *Education Jobs Act of 2010 (Ed Jobs)* 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, IDEA and Ed Jobs). 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 Hackensack Public Schools to monitor the district's use of *Ed Jobs* 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: Ed Jobs, Title I; Title I SIA; Title IIA; Title IID; Title III; Title III Immigrant; and IDEA Basic and Preschool for the period July 1, 2010 through November 30, 2011.

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, student records, classroom visitations and interviews with instructional staff to verify implementation of the Individualized Education Programs (IEPs). The visit also included a review of student class and related service schedules, interviews of the child study team members and speech-language specialist, and an interview of the program administrator regarding the IDEA grant and 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 that were reviewed included Ed Jobs, Title I, Title IIA, Title IID, Title III, Title III Immigrant, IDEA Basic and Preschool from July 1, 2010 through November 30, 2011. A sampling of purchase orders and/or salaries was taken from each program reviewed.

**GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS**

**Title I Projects**

The district is using its Title I funds to implement targeted assistance programs in the district. The programs included summer programs and professional development.

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**IDEA Projects (Special Education)**

IDEA funds will be expended for special education classroom supplies and technology. Funds will also be used for tuition for placements in specialized schools for students with disabilities. IDEA funds will be used for professional services and behavioral consultation for special education students both in and out of district K-12 and preschool. Also, a swim lift for one student with disabilities and the district's salaries for extended school year will be funded with IDEA funds. Additionally, general education students who are identified to be at risk will be provided after school tutorial services, funded by IDEA Coordinated Early Intervening Services.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Education Jobs**

**Finding 1:**

**Condition:** The district has not identified specific staff it plans on charging to Ed Jobs funding that meet the eligible criteria.

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

**Recommended Action:** The district must identify specific staff contributions that meet the definition of school-level staffing for the charging of the Public Employees Retirement System to Ed Jobs funding.

**Finding 2:**

**Condition:** The district failed to maintain copies of their ARRA quarterly 1512 reports.

**Citation:** *American Recovery and Reinvestment Act of 2009 (ARRA)*. 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:** Copies of all quarterly ARRA reports must be retained by the district.

**Title I**

**Finding 3:**

**Condition:** The Title I program parent notification letters were not consistent across the schools in the district. The district is required to inform parents of its Title I program selection criteria, including why the child met the selection criteria and the course of action that the school has determined to remediate the child. All of these elements must

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be included in the notification letter to parents about their child's participation in the Title I program.

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

**Required Action:** The district must centralize the Title I program parent notification letter to ensure that the multiple measures used to identify the students and reason(s) for identification, as well as clearly defined exit criteria are included. The district must provide a copy of its revised parent notification letter to the NJDOE for review and documentation to show that the information was posted on the district's parent web page.

**Finding 4:**

**Condition:** The district's parent involvement policy has not been updated and adopted by the district board of education annually, as required.

**Citation:** NCLB §1118(a)(2) *Parental Involvement (Local Educational Agency Policy)*.

**Required Action:** The district's parent involvement policy was last adopted in 2006. The district must have a written parent involvement policy, developed in collaboration with parents of Title I students evaluated annually. The policy must be distributed to parents of Title I students in an understandable and uniform format, and to the extent practicable, in a language the parent understands. The district must work with its stakeholder groups to update its parent involvement policy and its board to adopt the updated policy. A copy of the updated parent involvement policy must be submitted to the NJDOE for review.

**Finding 5:**

**Condition:** The district did not develop school-level Title I parent involvement policies.

**Citation:** NCLB §1118(b) *School Parental Involvement Policy*, United States Department of Education's Title I, Part A Parent Involvement Non-Regulatory Guidance (Item D-1).

**Required Action:** Each Title I school should have a school-level parent involvement policy. The district should provide technical assistance to its schools in the development of school-level parent involvement policies and ensure that its schools work with their stakeholder groups to develop the policies. Each school must distribute a school-parent involvement policy to parents of Title I students and send a copy to the NJDOE for review. The school-level policies must be board approved and the board adoption date must match the date in the 2011-2012 NCLB Consolidated Application on the Electronic Web Enabled Grant system.

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**Finding 6:**

**Condition:** The Parents' Right-to-Know letters distributed by some of the schools were not consistent with the district letter posted on the district's parent web page. Some of the principals created school letters that deviated from the web page template and these letters did not meet all of the regulatory requirements.

**Citation:** 34 CFR §200.61 – *Parents' Right to Know* and 34 CFR §200.56 – *Definition of "highly qualified teacher."*

**Required Action:** The district must provide guidance to the schools to ensure that the Parents' Right-to-Know letters distributed by the schools meet all regulatory requirements, including the process by which parents may request information on the highly qualified status of their child's teacher.

**Finding 7:**

**Condition:** The district did not provide evidence of Title I school-parent-student compacts for all of its Title I schools and some of the school-parent-student compacts provided lacked required elements.

**Citation:** NCLB §1118(d): *Parental Involvement (Shared Responsibilities for High Student Academic Achievement)*.

**Required Action:** The district must provide technical assistance to its Title I schools and their associated stakeholder groups in the development of the school-parent-student compact. The district must send a copy of the revised school-parent compacts to the NJDOE for review. In addition, the district must ensure that each school attendance area redistributes the school-parent compacts to the parents of the Title I students for the 2011-2012 school year.

**Finding 8:**

**Condition:** In the process to identify nonpublic students for equitable service, the district did not reach out to nonpublic schools beyond the district's boundaries. The district provided services limited to nonpublic schools within the attendance area. Also, the district did not ensure that equitable services were provided to eligible students attending nonpublic schools from the beginning of the school year.

**Citation:** NCLB §1120 (*Participation of Children Enrolled In Private Schools*).

**Required Action:** The district must develop a corrective action plan that outlines how it will identify its resident students that attend nonpublic schools beyond the district's boundaries. The corrective action plan must also include how equitable services will

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reach eligible students from the start of the school year and how it will advance the level of participation in the nonpublic consultation process.

**Finding 9:**

**Condition:** The district could not provide documented evidence of the criteria used to select/identify students to receive Title I services in nonpublic schools.

**Citation:** NCLB §1120 (a)(1): *Participation of Children Enrolled in Private Schools (General Requirement)*.

**Required Action:** The district must provide a list of the educationally related criteria it utilized to identify its nonpublic school students who were eligible for Title I services. The district must submit the required selection criteria to the NJDOE for review.

**Finding 10:**

**Condition:** The district did not provide sufficient documentation including, but not limited to, affirmation of consultation and refusal forms to verify that its consultation with all nonpublic school officials was ongoing, timely, and meaningful. Title I regulations stipulate that consultation must continue throughout the implementation and assessment of services to ensure that Title I services align to the needs of the identified nonpublic students.

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

**Required Action:** In order to ensure ongoing, timely, 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 and meaningful, covered all appropriate topics, and resulted in program designs that had a reasonable expectation of success. The district should review the NJDOE and/or USDE guidance on the provision of equitable services to eligible nonpublic school children to ensure all requirements and maintenance of records are satisfied. Additionally, the district can review NJDOE Nonpublic School Documentation and Sample Correspondence, which is available at: <http://www.nj.gov/education/grants/entitlement/nclb/>.

**Title IX – Access to High School and Information on Students by Military Recruiters**

**Finding 11:**

**Condition:** The district did not provide evidence that an “opt-out” form was distributed to parents and adult students regarding Title IX – Access to High School and Information on Students by Military Recruiters. The district did not provide evidence that it maintains a record of parents and students that requested to “opt-out” of complying with



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requests from military recruiters, college recruiters and employers, or that district provided students' names, addresses, and telephone listings to military recruiters, college recruiters and employers, if requested.

**Citation:** NCLB §9528: *Access to High School Students and Information on Students by Military Recruiters.*

**Required Action:** The district must distribute an "opt-out" letter and form to parents of high school students as well as adult students for FY 2011-2012. The district must submit a copy of the letter to the NJDOE for review.

**Title IIA**

**Finding 12:**

**Condition:** The district provided no documentation to show that professional development activities were consistent with content and performance standards, needs assessment for professional development, efforts to enhance continuous improvement, methods to teach students with special needs, and gender equity.

**Citation:** NCLB §1112, NCLB §1119, NCLB §2122, NCLB §2123.

**Required Action:** The district must ensure that professional development activities are consistent with content and performance standards so that district initiatives such as the anti-bully program will be aligned with performance standards or priority problem areas.

**Finding 13:**

**Condition:** Although each school has a professional development plan, there is no district-level professional development plan.

**Citation:** NCLB §2122.

**Required Action:** The district must establish a district-level professional development plan.

**Title III**

**Finding 14:**

**Condition:** The district provided no evidence of consultations between district and private school officials.

**Citation:** NCLB §9501.

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**Required Action:** The district must consult with private school officials and these meetings must be documented.

**Finding 15:**

**Condition:** In October 2010 a non-allowable expenditure was made in the amount of \$2,750 for the purchase of 50 tickets to the Radio City Christmas Spectacular. This expenditure constitutes entertainment and, accordingly, is not allowable.

**Citation:** OMB Circular No. A-87: Cost Principles for State, Local and Indian Tribal Governments, Section 14, Entertainment.

**Required Action:** Entertainment related costs should not be charged to the grant. The unallowable expenses must be charged to state/local funds, rather than Title III funds.

**IDEA (Special Education)**

**Finding 16:**

**Condition:** The district is not in compliance with the requirements for services to nonpublic schools. The district does not participate in consultation and collaborative decision making with the nonpublic schools; nor do they have a mechanism for oversight of the service plans to ensure compliance with current special education regulations.

**Citation:** IDEA Regulation 34 CFR 300 and 301 (*Assistance to States for the Education of Children with Disabilities and Preschool Grants for Children with Disabilities*).

**Required Action:** The district must conduct consultation activities with the nonpublic schools and the outside contractor to develop procedures to participate in a collaborative decision making process with the nonpublic schools.

**Finding 17:**

**Condition:** The district was not in compliance with services to nonpublic schools in that they did not have documentation of consultation and collaborative decision making with the nonpublic schools; they did not communicate with the nonpublic schools directly regarding the delivery of services or new requests for services. The contract with the service provider is not specific as to services being delivered and is structured to provide incremental payments, not reimbursed for actual services rendered as required.

**Citation:** IDEA Regulation 34 CFR 300 and 301 (*Assistance to States for the Education of Children With Disabilities and Preschool Grants for Children With Disabilities*).

**Required Action:** The district must revise contracts with its nonpublic providers to provide for payments based on specific services provided; develop procedures to capture

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consultations specifically for IDEA services and obtain confirmation of consultation forms from the nonpublic schools; develop procedures for requests for additional services that come through the district and not the provider. The district must submit its updated contract(s) and control procedures to the NJDOE for review.

**Special Education Programs**

**Finding 18:**

**Condition:** The district did not consistently document all required considerations and statements in each IEP for students eligible for speech-language services. Specifically, IEPs did not consistently include:

- measurable goals and objectives;
- a statement of how progress towards annual goals will be measured; and
- a statement of how progress will be reported to parents.

In addition, the district did not document the start dates, frequency, duration and location of special education and related services and speech-language services in the IEP. Noncompliance was due to lack of implementation of district procedures.

**Citation:** N.J.A.C. 6A:14-3.7(c)1-11, (e) 1-17, and (f) N.J.A.C. 6A:14-4.10(a); 20 U.S.C. §1414(d)(3)(A)(B); and 34 CFR §300.324(a)(1)(2).

**Required Action:** The district must ensure that each IEP contains all required components. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists regarding district procedures. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise IEPs for specific students where the IEPs were identified as noncompliant. The district must submit the revised IEPs, along with the IEPs of three additional students whose annual review meetings were conducted subsequent to the last day of monitoring to the NJDOE for review. Names of the students where the IEPs were identified as noncompliant will be provided to the district by the special education monitor.

**Finding 19:**

**Condition:** The district did not conduct meetings, with required participants, within 20 calendar days of receipt of a written request for a child study evaluation or a speech-language evaluation to determine if an evaluation was warranted. Noncompliance was due to lack of implementation of district procedures.

**Citation:** N.J.A.C. 6A:14-3.3(e), 3.4(j).

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**Required Action:** The district must ensure that identification meetings are conducted within 20 calendar days of receipt of a written request for evaluation and that required participants are in attendance. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists regarding the district's procedures. To demonstrate implementation of the procedures, the district must submit copies of the dated initial request for evaluation for three students referred for speech-language services and the signed participation pages from the resulting meetings to determine the nature and scope of the evaluations conducted subsequent to the last day of monitoring to the NJDOE for review.

**Finding 20:**

**Condition:** The district did not consistently include the required components in notice of identification, eligibility, annual and reevaluation meetings for students referred for special education and related services or speech-language services. In addition, the district did not consistently provide a copy of the special education and due process hearing rules (N.J.A.C. 1:6A) following identification meetings for students potentially eligible for speech-language services. Noncompliance was due to lack of implementation of district procedures.

**Citation:** N.J.A.C. 6A:14-2.3(f-g), 2.3(k)3.5; 20 U.S.C. §1414(b)(1); and 34 CFR §300.304(a).

**Required Action:** The district must ensure that notices of identification, eligibility and reevaluation meetings contain all required components and that parents are provided with a copy of N.J.A.C.1:6A following identification meetings. In order to demonstrate correction of noncompliance, the district must conduct training regarding the procedures for child study team members and speech-language specialists. To demonstrate implementation of the district's procedures, the district must submit notices of an identification, eligibility, annual review and reevaluation meetings conducted subsequent to the last day of monitoring for three students referred for special education and related services and speech-language services to the NJDOE for review.

**Finding 21:**

**Condition:** The district did not conduct all required components of the functional assessment as part of the initial evaluation for special education and related services or speech-language services. Noncompliance was due to lack of implementation of district procedures.

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

**Required Action:** The district must ensure that all components of the functional assessment are conducted as part of initial evaluations. In order to demonstrate

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correction of noncompliance, the district must conduct training regarding the district's procedures for child study team members and speech-language specialists. In addition, the district must submit the evaluation reports developed subsequent to the last day of monitoring for three students referred for special education and related services and three for students referred for speech-language services to the NJDOE for review.

**Finding 22:**

**Condition:** The district did not maintain documentation of the description, frequency, duration and effectiveness of the interventions provided in the general education setting through the Intervention and Referral Service (I&RS). Noncompliance was due to lack of implementation of district procedures.

**Citation:** N.J.A.C. 6A:14-3.3(c).

**Required Action:** The district must ensure that I&RS documentation includes the description, frequency, duration and effectiveness of the interventions provided in the general education setting. In order to demonstrate correction of noncompliance, the district must conduct training regarding the district's procedures for child study team members. Additionally, the district must submit documentation for three students who were provided interventions in general education subsequent to the last day of monitoring to the NJDOE for review.

**Finding 23:**

**Condition:** The district did not provide copies of evaluation report(s) to parents at least 10 days prior to the determination of initial eligibility or redetermination of eligibility (when assessments were conducted) for students evaluated for speech-language services. Noncompliance was due to lack of implementation of district procedures.

**Citation:** N.J.A.C. 6A:14-3.5(a); 20 U.S.C. §1414(b)(4); and 34 CFR §300.306(a).

**Required Action:** The district must ensure the provision of copies of evaluation report(s) to parents not less than 10 days prior to the determination of eligibility. To demonstrate implementation of the procedures, the district must submit copies of documentation of provision of evaluation report(s) to parents for three students evaluated for speech-language services subsequent to the last day of monitoring to the NJDOE for review.

**Finding 24:**

**Condition:** The district did not ensure child study team participation at the planning conference of students transitioning from an early intervention program to preschool. Noncompliance was due to lack of implementation of district procedures.

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**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 regarding the procedures for implementing the requirements in the citation listed above for child study team members. Additionally, the district must submit documentation of participation of a child study team member in the transition planning conferences conducted subsequent to the last day of monitoring for three students transitioning from early intervention to preschool to the NJDOE for review.

**Finding 25:**

**Condition:** The district did not consistently document the projected start dates, frequency and duration of services for special education or speech-language services in the IEP. Noncompliance was due to lack of implementation of district procedures.

**Citation:** N.J.A.C. 6A:14-3.7(e)8.

**Required Actions:** IEPs shall include a statement which specifies the start dates, frequency, location and duration of services in the student's IEPs. The district is required to conduct training regarding the district's procedures for the child study team members and speech-language specialists. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise IEPs for specific students where the IEPs were identified as noncompliant. The district must submit the revised IEPs, along with the IEPs of three additional students whose annual review meetings were conducted subsequent to the last day of monitoring to the NJDOE for review. Names of the students where the IEPs were identified as noncompliant will be provided to the district by the special education monitor.

**Administrative**

**Finding 26:**

**Condition:** On numerous 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.

**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.

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**Finding 27:**

**Condition:** The district failed to formally appoint all individuals charged to federal programs by board resolution.

**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:** All staff charged against federal grants should be reappointed annually by board resolution.

**Finding 28:**

**Condition:** The district was not tagging applicable equipment purchases as being purchased with federal funds.

**Citation:** EDGAR, PART 80—*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

**Required Action:** Equipment purchased with federal funds must be labeled as such.

**Finding 29:**

**Condition:** The district did not comply with required timekeeping standards for federally funded grants. The district provided no timesheets that were signed by employees and counter-signed by the employee's supervisor. Payroll time and activity must be provided on a quarterly basis for all employees who receive federal funds.

**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 ensure that employees submit quarterly timesheets that have been verified by supervisors.

**Finding 30:**

**Condition:** The district charged several expenditures to the incorrect general ledger accounts.

**Citation:** *Uniform Minimum Chart of Accounts (Handbook 2R2)*. EDGAR, PART 80-*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

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**Required Action:** The district must ensure that expenditures are charged to the appropriate general ledger account in accordance with the Uniform Minimum Chart of Accounts.

**Finding 31:**

**Condition:** On several occasions, the district did not obtain multiple quotes for purchases under the bid threshold as required by New Jersey Public School Contracts Law (PSCL), federal procurement law and district policy.

**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-37 *Award of purchases, contracts or agreements*.

**Required Action:** The district must comply with current federal and state procurement regulations and obtain multiple quotes as required.

**Finding 32:**

**Condition:** The amounts appropriated in the district's general ledger for federal NCLB grant carryovers were incorrect.

**Citation:** *Uniform Minimum Chart of Accounts (Handbook 2R2)*. 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 ensure that amounts appropriated for each grant agree to the final approved grant.

**Recommendation 1:** The district does not have a purchasing manual that details procedures for the procurement of goods and services.

**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.A.C. 6A:23A-6.6 Standard operating procedures for business functions.

**Recommended Action:** The district should prepare and adopt a detailed purchasing manual to ensure compliance with current state and federal procurement regulations.

**Recommendation 2:** Under the PSCL, districts are not required to advertise for bids or competitively contract the provision of goods and services by vendors on the state contract list. In accordance with the PSCL [N.J.S.A. 18A:18A:10(a)], a board of education may place its order



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with a vendor offering the lowest price, including delivery charges, that best meets the requirements of the board of education. However, for all federal funds, districts need to review 34 CFR Part 80.36 on procurement requirements. The federal procurement regulations under this section do not include all the exemptions allowed under the PSCL and therefore, it is our understanding these federal regulations require districts to competitively contract for bid all goods and services over the bid threshold, whether exempt under PSCL or not. The federal rules do include provisions for procurement by “noncompetitive proposals,” but only under certain circumstances. The district has policies on the matter, but has no support to show it is implementing the policies.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

**Recommended Action:** The district should review 34 CFR Part 80.36 and use open and competitive procedures where at all possible and document the process in the procurement process.

**Recommendation 3:** The monitors noted that payment packages supporting disbursements were often disorganized and occasionally missing required documentation such as invoices. In addition, purchase orders were often missing sufficient detail.

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

**Recommended Action:** The district should implement procedures to ensure that all disbursements are supported by all required supporting documentation and documents are available for review. Purchase orders should include a description of goods or services being purchased and if applicable reference the bid or state contract it was procured under. In addition, the district’s financial systems should include applicable invoice numbers to reduce the possibility of duplicate payments.

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.

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