



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

CHRISTOPHER D. CERF  
*Acting Commissioner*

July 20, 2012

Ms. Cami Anderson  
State District Superintendent  
Newark Public Schools  
2 Cedar Street  
Newark, NJ 07107

Dear Ms. Anderson:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Newark Public Schools**. 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 March 31, 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 Newark Public Schools 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:Newark Public Schools Cover Letter/ Ed Jobs  
Enclosures

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**STATE OF NEW JERSEY  
DEPARTMENT OF EDUCATION  
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TRENTON, NJ 08625-0500**

**NEWARK PUBLIC SCHOOLS  
2 CEDAR STREET  
NEWARK, NJ 07107  
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**Education Jobs Fund Program**  
*New Jersey K-12 Education*

**EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
JULY 2012**

**District:** Newark Public Schools  
**County:** Essex  
**Dates On-Site:** May 30, 31 and June 1, 2012  
**Case #:** Ed Jobs-026-11

**FUNDING SOURCES**

Program	Funding Award
Ed Jobs	\$23,695,429
Carl D. Perkins	696,950
Total Funds	<u>\$24,392,379</u>

**NEWARK PUBLIC SCHOOLS**  
**EDUCATION JOBS CONSOLIDATED MONITORING REPORT**  
**JULY 2012**

**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. 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 Newark 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* and the Carl D. Perkins Grant for the period July 1, 2010 through March 31, 2012.

The scope of work performed included the review of documentation including grant applications, program plans, grant awards, annual audits, board minutes, payroll records, accounting records and purchase orders. 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 *Ed Jobs* and Carl D. Perkins Grant were reviewed from July 1, 2010 through March 31, 2012. A sampling of purchase orders and/or salaries was taken from each program reviewed.

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**DETAILED FINDINGS AND RECOMMENDATIONS**

**Ed Jobs Act**

**Finding 1:**

**Condition:** The district has charged approximately \$1,400,000 of unallowable district level salaries to Ed Jobs.

**Citation:** *Education Jobs Fund P.L. 111-226.*

**Required Action:** The district must reclassify the unallowable Ed Jobs expenditures to local funds and replace them with allowable expenditures by September 30, 2012. The district must submit revised Ed Jobs expenditure reports to the NJDOE for review.

**Carl D. Perkins**

**Finding 2:**

**Condition:** Documentation for the three field trips listed below as charged to the Carl D. Perkins Grant did not contain enough information to determine if they were allowable expenditures. They are as follows:

Field trip for "SAS": \$931.50 for transporting students from the Sussex Ave. School to the Central High School, invoice #12-6550, PO #12-0005826.

Field trip for the Office of Academic Services: \$621.00 for transporting students from Mulberry Street to a destination of "Student Home Addresses", invoice #12-06664, PO #12-0005826.

Field trip for the Office of Academic Services: \$434.70 for transporting students from Mulberry and Commerce Streets to a destination of "Student Home Address," invoice #12-06354, PO #12-0005826.

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

**Recommendation:** While the district was approved for job shadowing visits and college tours including transportation for students, in the future, all field trip expenditures must match those listed in the approved Carl D. Perkins grant application. Additionally, purchase orders for field trips should include specific detail, including the purpose of the trip.

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**Finding 3:**

**Condition:** Several expenditures were not in the approved Electronic Web Enabled Grant (EWEG) application and the district did not submit a budget amendment requesting approval. The following expenditures are not allowed:

- OCE Printing Systems USA, \$1,089.96 Invoice Date: 7/16/11, PO Date: 9/20/11 PO #12-000493;
- Bloomfield College, \$3,400.00 Invoice Date: 11/29/11, PO Date: 12/22/11 PO #12-000857; and
- Nicky's Café & Catering, \$1,518.75 Invoice Date: 2/8/12, PO Date: 1/24/12 PO #12-000924.

**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 provide a justification to the NJDOE for not submitting a budget amendment and explain why the OCE Printing Systems and Bloomfield College expenditures should be allowed.

**Finding 4:**

**Condition:** Carl D. Perkins Grant funding cannot be used to purchase catered food. There is one expenditure for catering that is not allowable:

- Nicky's Café & Catering \$1,518.75 Invoice Date: 2/8/12, PO Date: 1/24/12 PO #12-000924.

**Citation:** Perkins One-Year Grant Application Guidelines July 1, 2011-June 30, 2012.

**Required Action:** The district must cease purchasing catered food with Carl D. Perkins Grant funding. Costs are disallowed and should be reallocated to another funding source such as local funds.

**Finding 5:**

**Condition:** At Barringer High School, equipment was purchased and placed as indicated; however, the equipment lacked appropriate labeling with regards to serial/inventory numbers and did not indicate that the purchase of the equipment was made with federal funds.

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

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**Required Action:** All equipment purchased through Perkins/Federal funds must be appropriately and accurately labeled. Serial/inventory numbers need to be visible on the piece of equipment.

**Administrative**

**Finding 6:**

**Condition:** 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.

**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.

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](mailto:steven.hoffmann@doe.state.nj.us).