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DEPARTMENT OF EDUCATION
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Commissioner

April 11, 2013

Mrs. Dina Velez, School Administrator
Newark Educators' Community Charter School
17-19 Crawford Street
Newark, NJ 07102

Dear Mrs. Velez:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Newark Educators' Community Charter School**. 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 April 30, 2012. 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 Charter Schools Response, Corrective Action Plan and Appeal Process," the Newark Educators' Community Charter School Board of Trustees 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 Educators' Community Charter School Cover Letter/ Ed Jobs
Enclosures

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Education Jobs Fund Program
New Jersey K-12 Education

EDUCATION JOBS CONSOLIDATED MONITORING REPORT
APRIL 2013

District: Newark Educators' Community Charter School
County: Essex
Dates On-Site: May 21, 22 and 23, 2012
Case #: Ed Jobs-027-11

FUNDING SOURCES

Program	Funding Award
Title I	\$ 262,192
IDEA Basic	52,643
IDEA Preschool	1,929
Title IIA	1,803
Total Funds	<u><u>\$ 318,567</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 school for their intended purpose and achieving the overall objectives of the funding initiatives.

INTRODUCTION

The NJDOE visited the Newark Educators' Community Charter School to monitor the school's use of Ed Jobs funds and the related program plans, where applicable, to determine whether the school'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; Title IIA; and IDEA Basic and Preschool for the period July 1, 2010 through April 30, 2012.

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). The visit also included a review of student class and related service schedules, interviews of the child study team members and speech-language specialists, and an interview of the program administrator regarding the IDEA grant and current school policies and procedures. The monitoring team members also conducted interviews with school personnel, reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews.

EXPENDITURES REVIEWED

The grants that were reviewed included Title I, Title IIA, and IDEA Basic and Preschool from July 1, 2010 through April 30, 2012. A sampling of purchase orders and/or salaries was taken from each program reviewed.

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GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

Title I Projects

Title I funds were expended to support teacher salaries and benefits.

IDEA Projects (Special Education)

The school used its FY 2010-2011 and FY 2011-2012 IDEA Basic funds to contract with providers to conduct speech therapy, occupational therapy and child study team evaluations.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1:

Condition: The school verbally communicated entrance and exit criteria, but could not provide documented evidence that students in the Title I program met these criteria.

Citation: ESEA §1115: *Targeted Assistance Programs*.

Required Action: The school must establish a mechanism to clearly reflect the selection criteria and the supporting data elements for all of its Title I students served in its Title I funded schools. The school must submit a roster of Title I students (using student initials only) that indicates the eligibility criteria the students met for placement in the Title I program.

Finding 2:

Condition: The school did not inform parents of its Title I program entrance and exit criteria, why the child met the selection criteria and the course of action the school has determined to remediate the child. All of these elements must be included in the notification letter to parents about their child's participation in the Title I program.

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

Required Action: The school must include in its parental notification letters the multiple measures used to identify the students and the reason for identification, as well as clearly defined exit criteria. The school must submit its FY 2012-2013 notification letters to the NJDOE for review.

Finding 3:

Condition: For the 2011-2012 school year, there is no evidence the school's written parental involvement policy was developed in conjunction with and distributed to parents

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and there also was no definitive evidence of board adoption. The indicated board adoption date was also not accurately reflected in the FY 2011-2012 NCLB Consolidated Application on the Electronic Web Enabled Grant (EWEG) system.

Citation: ESEA §1118 (a)(2) and (b)(1): *Parental Involvement (Local Educational Agency Policy)*.

Required Action: The school must obtain official board approval for its current school parental involvement policy and distribute it to parents of Title I students. The board adoption date of the parental involvement policy must be consistent with the date reflected in the FY 2012-2013 NCLB Application on the EWEG system.

Finding 4:

Condition: For the 2011-2012 school year, there is no evidence the school-parent compact was developed in conjunction with and distributed to parents.

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

Required Action: The school must include the associated stakeholder groups in the development of the school-parent compact. The school-parent compact should outline parents, staff, and students responsibilities for building and developing partnerships for the goal of improved student achievement (Appendix E of Parental Involvement: Title I, Part A *Non-Regulatory Guidance* for templates www.ed.gov/programs/titleiparta/parentinguid.doc). The school must send to the NJDOE for review a copy of the school-parent compacts and evidence of distribution to the parents of the Title I students for the 2012-2013 school year.

Finding 5:

Condition: The school could not provide evidence of convening its annual Title I parent meeting.

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

Required Action: The school must convene its FY 2012-2013 annual Title I meeting for the parents/guardians of its identified Title I students and submit evidence of the meeting to the NJDOE for review (invitational letter/flyer, agenda, meeting minutes, and sign in sheets must be obtained).

Finding 6:

Condition: The school does not have the required supporting documents to verify the activity of Title I staff as required by federal law. The documentation must reflect what

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the staff is doing, when and where and must match their funded percentage. In addition, the school must amend its FY 2011-2012 NCLB Consolidated Application to accurately reflect that a literacy coach that was not an employee, but was a consultant.

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 school must identify staff who are working exclusively with students in the Title I program. The school may then charge the salaries of these staff to the grant and verify the time and activity of staff charged to the grant. The school must submit a revised list of FY 2011-2012 Title I funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review.

Finding 7:

Condition: The school could not provide the documentation to verify the highly qualified status of one of the seven Title I funded instructional staff.

Citation: ESEA §1119: *Qualifications for Teachers and Paraprofessionals*.

Required Action: The school must submit documentation to the NJDOE to verify that all Title I instructional staff are highly qualified.

Title IIA

There were no findings for the Title IIA grant.

IDEA (Special Education)

Finding 8:

Condition: In the FY 2010-2011 IDEA grant, the school misclassified the accounting classification of a teacher into support services when the school should have listed this staff member in direct service in both their accounting system and the EWEG system.

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 update its applications and corresponding accounting records to classify staff according to their function.

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Finding 9:

Condition: In the FY 2011-2012 IDEA grant, the school misclassified the accounting of IEP software into support service – purchased professional and technical services (200-300). The costs should have been included in support services – supplies and materials (200-600).

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 school must update its applications and corresponding accounting records to classify items according to their function. The school should update the EWEG system to accurately reflect the citation listed above.

Special Education Programs

Finding 10:

Condition: The school did not consistently inform parents regarding all meetings through provision of notice of a meeting for students referred and/or eligible for special education and related services and for students referred and/or eligible for speech-language services. When notice of a meeting was provided, it did not consistently include all required components. Noncompliance was due to a lack of compliant district procedures.

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

Required Action: The school must ensure parents are provided notice of a meeting in writing, that contains all required components, early enough to ensure the parent has an opportunity to attend. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. Additionally, a monitor from NJDOE will conduct an on-site visit to review copies of notices of meetings that occurred between September 2012 and November 2012.

Finding 11:

Condition: The school did not consistently inform parents of proposed actions through provision of written notice for students referred and/or eligible for special education and related services and for students referred and/or eligible speech-language services. When notice was provided, it did not contain all required components. Noncompliance was due to a lack of implementation of district procedures.

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Citation: 20 U.S.C. §1414(b)(1)(c)(4)(A); 34CFR §300.304(a)(4); and 34CFR §300.305(a) and N.J.A.C. 6A:14-2.3(f) and 2.3(g)1-7.

Required Action: The school must ensure that parents are provided written notice informing them of proposed actions that contains all required components within 15 calendar days of the meeting. In order to demonstrate correction of noncompliance, the school must provide training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. In addition, a monitor from NJDOE will conduct an on-site visit to review notices that were provided between September 2012 and November 2012.

Finding 12:

Condition: The school did not consistently obtain written parental consent to conduct initial evaluations and reevaluation assessments for students referred for special education and related services and for students referred for speech-language services. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.3(a); 20 U.S.C. §1414(a)(1)(D); and 34 CFR §300.300(a).

Required Action: The school must ensure that informed parental consent is obtained and maintained in student files. The school must maintain documentation of attempts to obtain written parental consent to evaluate when the parent does not attend a reevaluation planning meeting. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and speech-language specialists regarding procedures for implementing the requirements in the citation listed above. Additionally, a monitor from NJDOE will conduct an on-site visit to review documentation of written parental consent to conduct initial and reevaluation assessments between September 2012 and November 2012.

Finding 13:

Condition: The school did not consistently provide copies of evaluation report(s) to parents at least 10 days prior to the determination of eligibility for students referred for special education and related services and for students referred for speech-language services. Noncompliance was due to a 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 school must ensure parents are provided copies of evaluation report(s) not less than 10 days prior to the determination of eligibility. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and speech-language specialists regarding procedures for implementing the requirements in the citation listed above. Additionally, a monitor from NJDOE will conduct an on-site visit to review documentation of provision of evaluation

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report(s) to parents for evaluated for special education and related services and for students referred for speech-language services whose eligibility meetings were held between September 2012 and November 2012.

Finding 14:

Condition: The school did not consistently ensure required participants were in attendance at identification, annual review, and reevaluation IEP meetings for students eligible for speech language services and for students eligible for special education and related services. Noncompliance was due to a lack of implementation of district procedures.

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

Required Action: The school must ensure that meetings are conducted with required participants and that documentation of attendance is maintained in student's records. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. Additionally, a monitor from NJDOE will conduct an on-site visit to review the signed participation documentation for students whose meetings (identification, annual review and reevaluation) were conducted between September 2012 and November 2012.

Finding 15:

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

- a statement of the Present Levels of Academic Achievement and Functional Performance;
- participation in statewide assessments;
- consideration of Extended School Year;
- measurable goals and objectives;
- supports for school personnel; and
- amount of time a student was receiving in-class support

Noncompliance was due to a 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 school must ensure each IEP contains the required considerations and statements. In order to demonstrate correction of noncompliance, the school must

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conduct training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. In addition, the school must conduct annual review meetings and revise IEPs for the students whose IEPs were identified as noncompliant during monitoring. A monitor from NJDOE will conduct an onsite visit to review the revised IEPs and IEPs for students whose annual review meetings were conducted between September 2012 and November 2012. Names of the students whose IEPs were identified as noncompliant will be provided to the school by the monitor. For assistance with correction of noncompliance, the school is referred to the state IEP sample form at: www.statenj.us/education/specialed/forms.

Finding 16:

Condition: The school did not consistently document in IEPs of students removed from the general education setting for more than 20% of the day, including students placed in separate settings:

- the supplementary aids and services considered;
- an explanation of why they were rejected;
- a comparison of the benefits provided in the regular class and the benefits provided in the special education class; and
- the potentially beneficial or harmful effects which a placement in general education may have on the student with disabilities or the other students in the class.

Noncompliance was due to a lack of implementation of district procedures.

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

Required Action: The school must ensure that when determining the educational placement of a child with a disability, the IEP team considers the general education class first and 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. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members regarding the school's procedures. To demonstrate that the school has corrected the individual instances of noncompliance, the school must conduct annual review meetings and revise the IEPs for specific students with IEPs that were identified as noncompliant. A monitor from NJDOE will conduct an on-site visit to review the revised IEPs, along with the IEPs for students whose annual review meetings were conducted between September 2012 and November 2012. Names of the students with IEPs that were identified as noncompliant will be provided to the school by the monitor.

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Finding 17:

Condition: The school did not maintain documentation of the 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 a lack of implementation of district procedures.

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

Required Action: The school 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 school must conduct training for staff regarding the procedures for implementing the requirements in the citation listed above. Additionally, a monitor from NJDOE will conduct an on-site visit to review documentation for students who were provided interventions in general education between September 2012 and November 2012.

Finding 18:

Condition: The school did not conduct meetings 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 a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.5(b)6; 3.3(e) and 3.6(b).

Required Action: The school must ensure identification meetings are conducted within 20 calendar days of receipt of a written request for evaluation and required participants are in attendance. In order to demonstrate correction of noncompliance, the school must conduct training for speech-language specialists and child study team members regarding the school's procedures. To demonstrate implementation of the procedures, the school must submit copies of the dated initial request for evaluation for students referred for special education and related services and for students referred for speech-language services and the signed participation pages from the resulting meetings conducted between September 2012 and November 2012.

Finding 19:

Condition: The school did not conduct vision/hearing screenings and health/medical summaries for every student referred to the child study team for evaluation. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.4(j).

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Corrective Action: The school must ensure a vision and audiometric screening is conducted for every student referred to the child study team with a copy of the results maintained in students' files, along with available health/medical summaries. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above. Additionally, a monitor from NJDOE will conduct an on-site visit to review the dated copies of vision and audiometric screenings and health/medical summaries provided to case managers for students referred to the child study team between September 2012 and November 2012.

Finding 20:

Condition: The school did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for students referred for special education and related services and for students referred for speech-language services. Noncompliance was due to a lack of implementation of district procedures.

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

Required Action: The school must ensure all components of the functional assessment are conducted as part of all initial evaluations. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and speech-language specialists regarding the school's procedures for implementing the requirements in the citation listed above. In addition, a monitor from NJDOE will conduct an on-site visit to review evaluation reports developed for students referred for special education and related services and for students referred for speech-language services between September 2012 and November 2012. The school is referred to the sample report form for speech-language evaluations at: www.state.nj.us/education/speced/forms.

Finding 21:

Condition: The school did not consistently conduct reevaluations within three years of the previous classification date for students currently eligible for special education and related services and for students eligible for speech-language services. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A: 14-3.7(i) and 14-3.8(a) and 20 U.S.C. §1414(a)(2)(B)(ii) and (d); and 34 CFR §300.324(b)1.

Required Action: The school must ensure reevaluations are conducted within required time lines with required participants in attendance. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. Additionally, a monitor from NJDOE will conduct an on-site

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visit to review evidence of determination of continued eligibility for students identified during monitoring to the NJDOE for review and the signed participation documentation from eligibility meetings conducted as part of the reevaluation process between September 2012 and November 2012. Names of the students whose IEPs were identified as noncompliant will be provided to the school by the monitor.

Finding 22:

Condition: The school does not have a policy for the provision of accommodations and modifications or, when appropriate, an alternate assessment for students with disabilities participating in school wide assessments.

Citation: 34 CFR §300.160.

Required Action: The school must revise its policies and procedures to ensure students with disabilities participate in school wide assessments. The policy must include the provision of accommodations and modifications and the provision of alternate assessments for those children who cannot participate in the regular assessment. If the school reports publicly on the school wide assessment, the school must also report with the same frequency and in the same detail as it reports on the assessment of nondisabled children. The school must submit evidence of this policy revision which includes all of the required components in the citation above.

Administrative

Finding 23:

Condition: On numerous occasions the school failed to issue a purchase order prior to goods being purchased or services being rendered (confirming order). School 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.

Finding 24:

Condition: During the review of the school's internal controls, the monitors noted the school lacked adequate segregation of duties. One staff member was responsible for issuing purchase orders, placing orders, receiving vendor invoices and processing payments to the vendor.

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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: In order to maintain adequate internal controls the purchasing function and the accounts payable function must be assigned to separate staff members.

Finding 25:

Condition: The school does not fully comply with required timekeeping standards for NCLB and IDEA grants. While employee time sheets were maintained they did not indicate that the employee was being funded with grant 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. N.J.S.A. 18A:18A(2)(v) *Public School Contracts Law*.

Required Action: The school must ensure that employees submit time sheets that comply with the timekeeping standards for NCLB and IDEA grants.

Recommendation 1: The monitors noted that payment packages supporting disbursements were 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 school 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 school'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.

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.