



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 25, 2011

Mr. Rick Pressler, Lead Person
Greater Brunswick Charter School
429 Kilmer Avenue
New Brunswick, NJ 08901

Dear Mr. Pressler:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the Greater Brunswick Charter School. The funding sources reviewed include titled programs for the American Recovery and Reinvestment Act (ARRA) in particular, and/or No Child Left Behind Act (NCLB), the Individuals with Disabilities Education Act (IDEA) and State Fiscal Stabilization Funds (Education Stabilization Fund and Government Stabilization Fund). The review covered the period July 1, 2009 through June 14, 2011. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued ARRA monitoring reports will be posted on the department's website at <http://www.nj.gov/education/arra/>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Greater Brunswick 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 school 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 Roseann Lozinski at (609) 292-4452.

Sincerely,

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

RJC/LDM/tc:Greater Brunswick Charter School Cover Letter
Enclosures

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American Recovery & Reinvestment Act 2009
New Jersey K-12 Education

ARRA MONITORING REPORT
July 2011

District: Greater Brunswick Charter School
County: Middlesex
Dates on-Site: June 14 through 16, 2011
Case #: ARRA-033-09

FUNDING SOURCES

Program	Funding Award
ARRA-Title I	\$68,343
ARRA-Title I SIA, Part A	7,191
ARRA-IDEA Basic	74,437
Total ARRA Funds	<u>\$149,971</u>
Title I	\$140,730
IDEA Basic	48,395
Total Non ARRA Funds	<u>\$189,125</u>
Total Funds	<u>\$339,096</u>

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ARRA MONITORING REPORT
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BACKGROUND

The *American Recovery and Reinvestment Act of 2009 (ARRA)* and other federal laws require local education agencies (LEAs) to provide programs and services to their schools based on the requirements specified in each of the authorizing statutes (ESEA, IDEA and ARRA). 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 charter school for their intended purpose and achieving the overall objectives of the funding initiatives.

INTRODUCTION

The NJDOE visited the Greater Brunswick Charter School to monitor the school's use of *ARRA* 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 I SIA; ARRA-Title I; IDEA Basic; and ARRA-IDEA Basic for the period July 1, 2009 through June 14, 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 and current district 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 following dollar amounts of expenditures were reviewed for each program monitored for the period of July 1, 2009 through June 14, 2011:

- Title I expenditures totaling \$64,297.08 were reviewed;
- ARRA-Title I expenditures totaling \$ 52,530.68 were reviewed;
- ARRA-Title I SIA funds had not been expended at the time of the monitoring visit;
- IDEA Basic expenditures totaling \$32,029.00 were reviewed; and
- ARRA-IDEA Basic expenditures totaling \$62,297.08 were reviewed.

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

ARRA-Title I Projects

The school received \$140,730 in Title I, Part A funds in 2009-2010; additionally, the school received \$68,343 in ARRA-Title I SIA, Part A funds. The school, in accordance with its 2009-2010 NCLB Consolidated Electronic Web Enabled Grant (EWEG) application, operated a

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Targeted Assistance program. The school has been identified as a School in Need of Improvement (SINI) Year 2.

Title I SIA, Part A Projects

Comprehensive Needs Assessment- Per the school's 2009-2010 EWEG application, the school has identified the following areas as its priority problems:

- Closing the Achievement Gap - for all students and Limited English Proficient (LEP) students;
- Language Arts Literacy - for all students and LEP students, and
- Mathematics - for all students and LEP students

ARRA-Title I SIA Projects

The school officials were unaware that they had received ARRA-Title I SIA entitlement funds. As a result, they did not plan for spending these funds. The monitors reviewed the possibility of adjusting previous expenditures to make use of this funding. The administration was advised that business office personnel should be able to attend trainings and workshops to stay current with changing laws. It is further recommended that the school seek additional support staff in the business office.

IDEA Projects

The school currently has 50 classified students. Three of the students are attending out-of-district placements. The school submitted an IDEA and ARRA-IDEA grant for Basic funds that was developed by school administrators in conjunction with the school's professional development goals. The school used the IDEA funds to increase student performance in the area of language arts through staff training for teaching Orton Gillingham and Foundations reading programs.

IDEA Basic funds were also utilized for the salary of one teacher for students with disabilities and one instructional aide for the elementary grade classified students. The school also purchased instructional supplies and planned to utilize IDEA funds for curriculum development.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The school's Title I Targeted Assistance program is not clearly identifiable.

Citation: NCLB §1115(c) *Targeted Assistance Programs, Components of a Targeted Assistance Program.*

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Required Action: The school must update its Title I program to reflect the operation of a Title I Targeted Assistance program with emphasis placed on providing extended learning opportunities for its identified Title I students (before/after school program, week-ends, summer or transitional program). The school must submit a detailed description of its updated Title I program that includes the multiple measures used to identify participating Title I students, how students will be assessed, and the frequency of these assessments. Lastly, the description must provide the criteria used to enter and exit students in the Title I program. The school must submit the updated program description to the NJDOE for review.

Finding 2: The school did not include all of the required elements 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 school must include in its parent notification letters, the multiple measures used to identify the students, as well as clearly defined exit criteria. The school must provide a copy of its parent notification letter to the NJDOE for review.

Finding 3: The school could not provide evidence of translations for all required parent notification letters (Parents' Right to Know, Parent Involvement Policy, and Parent School Compact) in its Title I funded schools.

Citation: NCLB §1118(c)(1) (2): *Parental Involvement (Policy Involvement)*.

Required Action: The school must ensure that all Title I parent notification letters have the required translations for all of its parents/guardians of its identified Title I students. The school must submit copies of all translated parent notification letters to the NJDOE for review.

Finding 4: The school could not provide evidence of a mechanism used to distribute its written parental involvement policy.

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

Required Action: The distribution date of the parent involvement policy must be consistent with the distribution date reflected in the 2009-2010 NCLB Consolidated Application on EWEG. The school must submit documented evidence to the NJDOE as to how and when its written parental involvement policy was distributed.

Finding 5: The school could not provide documentation inviting parents to its required Annual Title I parent meeting.

Citation: NCLB §1118(c)(1) (2): *Parental Involvement (Policy Involvement)*.

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Required Action: The school must reconvene its Annual Title I parent meeting and ensure that it maintains invitational letter/flyer, meeting minutes/notes, and sign in sheets from its Annual Title I Parent meeting.

Finding 6: The school did not use the prescribed Title I Unified Plan template required for all SINI.

Citation: : NCLB §1116(3)(A)(i)(ii)(iii)(I)(II)(III) : *School Plan*.

Required Action: The school must download and complete the required Title I Unified Plan template to ensure compliance for all schools designated in need of improvement.

Finding 7: The school could not provide documented evidence of professional development opportunities for Title I funded staff.

Citation: NCLB §1115(2)(d) : *Integration of Professional Development*.

Required Action: The school must ensure that it utilizes its professional development allocation to provide meaningful on-going and job embedded professional development opportunities for its Title I funded staff that coincides with the schools identified priority problems as mentioned in its comprehensive needs assessment.

Finding 8: The school could not provide time sheets to support the time its funded staff worked on the grant.

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 have signed and dated time sheets for staff charged to the grant and submit a list of 2009-2010 Title I funded staff, salaries, funding percentages and time sheets to date. This information must be submitted to the NJDOE for review.

ARRA-Title I

Finding 9: The school could not document how it spent its ARRA-Title I, Part A funds. In addition, the school could not present a formal plan for sustainability of these programs/services supported by ARRA-Title I finds beyond the funded project period.

Citation: *The American Recovery and Reinvestment Act of 2009 (ARRA) (Public Law 111-5)*.

Required Action: The school must provide a detailed and up-to-date narrative to include accompanying budget of all of its ARRA-Title I expenditures to the NJDOE for review.

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Finding 10: The school used ARRA-Title I funds for schoolwide performance assessments for all children, which is unallowable.

Citation: NCLB §1120A (b) (1): Fiscal Requirements (*Federal Funds to Supplement, Not Supplant, Non-Federal Funds*).

Required Action: The school must reverse these expenditures of Title I funds, by using state/local funds to absorb the cost of these data assessments.

Recommendation 1: The school's Title I staff needs to attend NJDOE sponsored trainings on topics such as EWEG training, Fiscal Training, Title I Directors' Training, etc. in order to stay current and compliant relative to legislative requirements.

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 arrange to attend the training sessions offered and keep a log of the attendees.

Recommendation 2: The school's Title I staff needs to attend NJDOE sponsored training on conducting a needs assessment and completing the Title I Unified Plan.

Citation: NCLB §1116(3)(A)(i)(ii)(iii)(I)(II)(III) : *School Plan*.

Recommended Action: The school should arrange for a team of stakeholders to attend the Title I Unified Plan training, as well as keep a log of the attendees.

IDEA

Finding 11: The school does not have the required supporting documents to verify the activity of IDEA funded staff, as required by federal law.

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 verify the time and activity of staff charged to the IDEA grant. The school must submit a list of 2009-2010 funded staff, salaries, funding percentages and time sheets to date, to the NJDOE for review (including administrative staffing).

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Financial Management and Reporting

Finding 12: The school staff charged to the Grants (ARRA-IDEA, ARRA-Title I, IDEA Basic and Title I) were not approved by the school's Board of Trustees.

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 have all staff charged to any federal grant approved by the Board of Trustees annually. The school must submit their grant staff approvals to the NJDOE for review.

Finding 13: Grants appropriations for salaries are submitted for FICA and TPAF salaries, or FICA only, and should be maintained separately. Instructional Aides were charged to grant lines for FICA and TPAF. Instructional aides are not TPAF eligible.

Citation: OMB Circular A-87, Attachment B, Section 8(h) *Cost Principles for State, Local and Indian Tribal Governments (Compensation for personal services)*. Uniform Minimum Chart of Accounts (Handbook 2R2).

Required Action: Final Reports for grants must reflect the actual expenditures in the grants and expenditures must be adjusted to show actual payments to staff in the correct account code.

Finding 14: The review identified one purchase order which was not signed by the school's authorizing agent.

Citation: N.J.S.A. 18A:19-2 *Requirements for payment of claims; audit of claims in general*.

Required Action: Rigorous reviews of all purchase orders for authorization and documentation must be implemented in order to avoid unauthorized and/or incorrect purchases.

Finding 15: The school did not have the required supporting documents to verify the professional development activity funded by the IDEA and Title I grant.

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 have board approval for all professional development activities. The school must maintain the agenda and participant sign in sheets for the professional development conferences or activities charged to the grant.

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Finding 16: The review identified purchase orders that did not identify the program (i.e., ARRA- Title I, Title I, IDEA, and ARRA-IDEA) from which the school purchased the goods or 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.

Required Action: Further staff training must take place so that all grant related Purchase orders cite the grant from which the funds are being charged.

Recommendation 3: The school does not have formal written board policies for requesting reimbursement from the EWEG system; however, the school's practices for requesting reimbursement were verified through questions concerning the school's internal controls.

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 must have a formal board policy concerning the reimbursement of grant funds and should submit this to the NJDOE for review.

Recommendation 4: The school's internal controls and Purchasing Manual do not address the issue of contracting with disbarred vendors (even though this did not happen, there were no administrative controls in place to prevent it from occurring).

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

Recommended Action: The school should update internal controls and purchasing policies to prevent possible contracting errors from occurring.

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 Roseann Lozinski at (609) 292-4452 or via email at roseann.lozinski@doe.state.nj.us.