



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

August 24, 2010

BRET SCHUNDLER  
*Commissioner*

Dr. Charles Montesano, Superintendent  
Mahwah Township Board of Education  
60 Ridge Road  
Mahwah, NJ 07430

Dear Dr. Montesano:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Mahwah Township Board of Education**. 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 March 31, 2010. 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 Mahwah Township 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 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 Steven Hoffmann at (973) 621-2750.

Sincerely,

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

RJC/LDM/tc:Mahwah Twp. Board of Education Cover Letter  
Enclosures

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**MAHWAH TOWNSHIP BOARD OF EDUCATION  
60 RIDGE ROAD  
MAHWAH, NJ 07430  
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**American Recovery & Reinvestment Act 2009**  
*New Jersey K-12 Education*

**ARRA MONITORING REPORT  
AUGUST 2010**

**District:** Mahwah Township Board of Education  
**County:** Bergen  
**Date on-Site:** June 21, 2010  
**Case #:** ARRA 045-09

**FUNDING SOURCE**

Program	Funding Award
Title I	\$80,273
Total Non-ARRA Funds	<u>80,273</u>
Total Funding	<u>\$80,273</u>

**MAHWAH TOWNSHIP BOARD OF EDUCATION  
ARRA MONITORING REPORT  
AUGUST 2010**

**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 district for their intended purpose and achieving the overall objectives of the funding initiatives.

**INTRODUCTION**

The NJDOE visited the Mahwah Township Board of Education to monitor the district's use of ARRA 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 Title I program for the period July 1, 2009 through March 31, 2010. The monitoring also included a review of the district's most recent ARRA section 1512 quarterly report to determine whether ARRA expenditures, jobs estimates and related information were reported accurately.

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 district 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 March 31, 2010:

- Title I – 90% of expenditures totaling \$31,214 were reviewed.

**MAHWAH TOWNSHIP BOARD OF EDUCATION  
ARRA MONITORING REPORT  
AUGUST 2010**

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

**Title I Projects**

The Mahwah School District used allocated Title I funds to serve only one of the two eligible schools in the district. Although the district could have funded the Joyce Kilmer Elementary School at 44% of its school allocation and the Lenape Meadows Elementary School at 100%, the district elected to allocate all the available funds (\$75,571) to the Lenape Meadows Elementary School. They identified Early Childhood Education, Language Arts Literacy and Reading, and Mathematics as the priority problems in their needs assessment and focused their efforts in these areas.

The district's plan to address the needs identified includes an extended year remedial reading program during the summer while also focusing on remedial math skills in an effort to improve standardized test scores. Professional development plans to meet the five percent requirement are designed to prepare those teachers instructing in the reading program as well as those teachers that are working with students identified for targeted assistance. More than 90% of the Title I allocation was budgeted for salaries and benefits; the remaining funds were budgeted for professional development five percent and associated supplies.

The district kept accurate and thorough records that documented all of the federal requirements for Title I including those required of a school in need of improvement. The School in Need of Improvement (SINI) letter was distributed, but was missing specific components.

All other information required under federal Title I regulations were clearly met.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:**

**Condition:** The SINI letter was missing the following required components: (1) An explanation of what the identification means, and how the school compares in terms of academic achievement to other elementary and secondary schools served by the LEA and the State Education Agency involved; and (2) the reasons for the identification.

**Citation:** NCLB §1116 (b)(6) *Academic Assessment And Local Educational Agency And School Improvement.*

**Required Action:** The district must revise its parental notification in order to meet the regulatory requirements. The district must submit a copy of the revised letter to the NJDOE for review.

**MAHWAH TOWNSHIP BOARD OF EDUCATION**  
**ARRA MONITORING REPORT**  
**AUGUST 2010**

**Financial Management and Reporting**

**Finding 1:**

**Condition:** An expenditure for professional development was charged to the incorrect general ledger account. The expenditure was charged to a Title I instructional account when it should have been recorded as a general fund non-instructional expenditure.

**Citation:** Uniform Minimum Chart of Accounts for New Jersey Public Schools, EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

**Required Action:** All district expenditures should be recorded in the proper general ledger account in accordance with the Uniform Minimum Chart of Accounts.

**Recommendation 1:** Although the district does not have formal written policies for requesting reimbursement from the Electronic Web Enabled Grant system, the district's practices for requesting reimbursement were verified through questions concerning the district'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 district must have a formal board policy concerning the reimbursement of grant funds and should submit this to the NJDOE for review.

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 at (973) 621-2750 or via email at [steven.hoffmann@doe.state.nj.us](mailto:steven.hoffmann@doe.state.nj.us).