



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

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Lt. Governor

ROCHELLE R. HENDRICKS
Acting Commissioner

December 21, 2010

Mr. Edward Kemp, Jr., Superintendent
Mansfield Township Board of Education
50 Port Murray Road
Port Murray, NJ 07865-9702

Dear Mr. Kemp:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Mansfield 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 June 30, 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 Mansfield 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 Roseann Lozinski at (609) 292-4452.

Sincerely,

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

RJC/LDM/tc:Mansfield Township BOE Cover Letter
Enclosures

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MANSFIELD TOWNSHIP BOARD OF EDUCATION
50 Port Murray Road
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American Recovery & Reinvestment Act 2009

New Jersey K-12 Education

ARRA MONITORING REPORT
DECEMBER 2010

District: Mansfield Township
County: Warren
Dates on-Site: November 16 and 17, 2010
Case #: ARRA 046-09

Funding Sources

Program	Funding Award
State Fiscal Stabilization Fund – Education Stabilization Fund	\$462,501
State Fiscal Stabilization Fund – Government Services Fund	17,904
ARRA-Title I	21,756
ARRA-IDEA Basic	151,927
ARRA-IDEA Preschool	5,486
Total ARRA Funds	<u>\$659,574</u>
Title I	\$82,369
IDEA Basic	162,408
IDEA Preschool	7,029
Title II SIA Part A	33,245
Title II Part D	772
Title III	10,168
Title IV	1,882
Total Non ARRA Funds	<u>\$297,873</u>
Total Funds	<u>\$957,447</u>

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

INTRODUCTION

The NJDOE visited the Mansfield Township Board of Education in Warren County 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 following programs: State Fiscal Stabilization Funds (SFSF) including the Education Stabilization Fund (ESF) and Government Services Fund (GSF); Title I; Title I SIA; ARRA-Title I; ARRA-Title I-SIA; IDEA Basic; IDEA Preschool; ARRA-IDEA Basic; and ARRA-IDEA Preschool for the period July 1, 2009 through June 30, 2010. The monitoring also included a review of the district's most recent ARRA section 1512 and SFSF cash management quarterly reports 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 June 30, 2010:

- ESF salary expenditures totaling \$462,501 were reviewed;
- GSF salary expenditures totaling \$17,904 were reviewed;
- ARRA-Title I funds had not been expended at the time of the monitoring visit;
- ARRA-IDEA Basic expenditures totaling \$23,852 were reviewed;
- ARRA-IDEA Preschool expenditures totaling \$1,587 were reviewed
- Title I expenditures totaling \$22,394 were reviewed;
- Title II Part A expenditures totaling \$4,686 were reviewed;
- Title II Part D expenditures totaling \$ 275 were reviewed;

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- Title III expenditures totaling \$3,282 were reviewed;
- Title IV funds had not been expended at the time of the monitoring visit;
- IDEA Basic expenditures totaling \$53,220 were reviewed; and
- IDEA Preschool expenditures totaling \$3,959 were reviewed.

In addition, the team reviewed the district's plans for spending the balance of the funding, in particular the ARRA-Title I and Title IV funds, which will be blended into the 2010-11 funding.

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

The district is serving approximately 682 students with 92 classified for special education and related services. There are no nonpublic schools within the district boundaries.

ARRA-Title I and NCLB Consolidated Grant

According to its 2009-2010 NCLB Consolidated Application submitted in the Electronic Web Enabled Grant (EWEG) system, the district received Title I, Part A funds; Title II, Part A and D; Title III and Title IV funds. The district also received an additional \$21,756 in ARRA-Title I, Part A funds. The district is designated as operating a targeted assistance Title I program in its elementary school. The Comprehensive Needs Assessment identified the priority problems as Language Arts Literacy and Mathematics for all students. As of the date of this monitoring, the ARRA-Title I funds and Title IV funds were not spent. The monitors reviewed the district's options for spending the ARRA-Title I funds in accordance with statute.

IDEA Projects

The district's child study team and the business office collaborated on the decision making related to IDEA and ARRA-IDEA allocations. Five classified students' needs could not be met in the district and grant funds were utilized for tuitions for the out-of-district placements.

The district proposed to utilize the IDEA and ARRA-IDEA Basic funds for five instructional aides for self-contained classes. A home based program for one student with autism was provided through the ARRA grant funding. The district also utilized funds for independent evaluations as consultant fees. IDEA and ARRA-IDEA preschool funding was utilized for partial funding for one preschool disabilities teacher.

The district's IDEA grant plans for 2009-2010 indicated funds budgeted for preschool field trips, video conferencing for staff, and partial funding for one preschool disabilities teacher salary. The district proposed a field trip to address developmental needs of the classified preschool students including sensory integration skills. Also, general instructional supplies and supplies and materials for the child study team use were budgeted.

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DETAILED FINDINGS AND RECOMMENDATIONS

SFSF Funds

No findings or recommendations in this area.

NCLB Consolidated Grant

Finding 1: The district's Title I Targeted Assistance Program is not clearly identifiable.

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

Required Action: The district 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, weekends, summer or transitional program). The district must submit a detailed description of its updated Title I program. The program description must include 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 district must submit the updated program description to the NJDOE for review.

Finding 2: The district is required to inform parents of its Title I program selection criteria, 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 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 include in its parent notification letters the multiple measures used to identify the students, as well as clearly defined exit criteria. The district must provide a copy of its revised parent notification letter to the NJDOE for review.

Finding 3: The district used its Title I, Part A funds to pay for tuition reimbursement for staff, which is an unallowable expenditure.

Citation: OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments.*

Required Action: The district must reverse the charges for this unallowable activity and allocate state/local funds, rather than Title I funds, to support this unallowable expenditure.

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Finding 4: The district 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 the EWEG system. The district must submit documented evidence to the NJDOE as to how and when its written parental involvement policy was distributed.

Finding 5: The district could not provide documentation to substantiate the contents of its required Annual Title I parent meeting.

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

Required Action: The district must ensure that it maintains meeting minutes/notes from its required Annual Title I parent meeting.

Finding 6: The district could not provide documented evidence of professional development opportunities provided to Title I funded staff.

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

Required Action: The district 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 district's identified priority problems as mentioned in its comprehensive needs assessment.

ARRA-Title I, Part A

Finding 7: The district does not have a formal plan in place on how it plans to utilize its ARRA-Title I, Part A funds.

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

Required Action: The district must invoke its NCLB Stakeholder committee to devise a plan to utilize its ARRA-Title I, Part A funds by providing supplemental support services to its identified Title I students. The district must also ensure that it is able to sustain the services provided beyond the funded project period. The district must submit a copy of the plan to the NJDOE for review.

IDEA and ARRA-IDEA

Finding 8: The district has not established a method to provide evidence of the impact the ARRA-IDEA Basic and ARRA-IDEA Preschool funded services will have on students. They

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have not established expectations for success for activities included in the ARRA-IDEA Basic and ARRA-IDEA Preschool Plan.

Citation: IDEA Regulations *34CFR §300.202*.

Required Action: The district must have a plan for the evaluation of each activity specified in the ARRA Plan. The district can consider individual progress towards Individualized Education Plan goals and objectives, pre and post test scores, report cards and classroom observations. They may also consider data to track mathematics and reading scores using the purchased programs.

Finding 9: The district does not have the required supporting documents to verify the activity of IDEA funded staff as required by federal law. The district funded five instructional aides, and one preschool disabled teacher without sufficient time and activity logs indicating knowledge of their position funding source.

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

Financial Management and Reporting

Finding 10: Purchase orders reviewed did not identify the program (i.e., Title I, ARRA-Title I, Title IV, IDEA, and ARRA-IDEA) or the targeted group of students for whom the school was purchasing 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: Internal controls over the purchasing function must be enhanced with an audit trail that identifies the program and location requesting the purchase of goods and service.

Finding 11: The district's purchasing records and payroll records have numerous disbursement adjustments that could not be reasonably verified. There were no internal documents readily available to justify transfers and no underlying control process to verify the distributions. End of the year adjustments are made upon consultation with the district's external auditor.

Citation: Uniform Minimum Chart of Accounts for New Jersey Public Schools, EDGAR, PART 80—*Uniform Administrative Requirements for Grants and Cooperative*

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Agreements to State and Local Governments Section 20, Standards for financial management systems.

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.

Recommendation 1: The district does not have formal written board policies for requesting reimbursement from the EWEG system; however, 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 approve a policy for requesting reimbursement from the EWEG system at an upcoming board meeting and submit the policy to the NJDOE for review.

Recommendation 2: The district's Purchasing Manual does not address the issue of contracting with disbarred vendors although there were administrative controls in place to prevent it from occurring in the general bid specifications used by the district.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 22; NJAC 6A:23A-6,

Recommended Action: The district must update internal control 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.