



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

August 19, 2010

BRET SCHUNDLER  
*Commissioner*

Dr. Paul Fried, Superintendent  
Montville Township Board of Education  
328 Changebridge Road  
Pine Brook, NJ 07058

Dear Dr. Fried:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Montville 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 Montville 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:Montville Twp. Board of Education Cover Letter  
Enclosures

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**STATE OF NEW JERSEY  
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**MONTVILLE TOWNSHIP BOARD OF EDUCATION**  
328 CHANGEBRIDGE ROAD  
PINE BROOK, NJ 07058  
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**American Recovery & Reinvestment Act 2009**  
*New Jersey K-12 Education*

**ARRA MONITORING REPORT  
AUGUST 2010**

**District:** Montville Township Board of Education  
**County:** Morris  
**Dates on-site:** July 12 and 13, 2010  
**Case #:** ARRA-051-09

**FUNDING SOURCES**

	Program	Funding Award
ARRA - IDEA Basic		\$942,090
ARRA - IDEA Preschool		34,100
	Total ARRA Funds	976,190
IDEA Basic		792,991
IDEA Preschool		28,168
	Total Non-ARRA Funds	821,159
	Total Funding	\$1,797,349

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS**  
**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 Montville 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 following programs: 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 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 June 30, 2010:

- ARRA-IDEA Basic 100% of expenditures totaling \$399,635 were reviewed;
- ARRA-IDEA Preschool 100% of expenditures totaling \$9,959 were reviewed;
- IDEA Basic 29% of expenditures totaling \$724,211 were reviewed; and
- IDEA Preschool 100% of expenditures totaling \$28,168 were reviewed.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS**  
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**GENERAL DISTRICT OVERVIEW OF USES OF IDEA FUNDS**

**IDEA Projects**

The Montville Township School District has proposed to utilize the IDEA and IDEA-ARRA Basic and Preschool funds for professional development for special education teachers, parents and teachers who work with special education students; technology including computers and upgrading of the technology in the special education classrooms; out-of-district tuitions; computer software; various materials for the resource centers, life skills classes, and structured learning centers; and a stipend for the special education teacher to provide the Lunch Club program. Nonpublic funds are providing services, instructional materials and technology equipment to children with disabilities placed by their parents in private schools.

The district has dedicated funds to provide professional development to district teachers who instruct special education students by providing professional development in autism/Asperger's awareness, transition and social skills development for high school age students. This professional development has aided these teachers in creating professional resource binders that are part of the structured learning program that provides special education students with a program that works on study, self advocacy and transition skills. This program extends to the parents of these students by providing evening professional development speakers on post secondary options. In addition, this program has extended to provide a new club that is available to high school special education students during the building wide lunch hour. Club L3 (Lunch, Learn and Lounge) allows students to drop in and eat their lunch with a special education teacher who facilitates social skills in a fun and safe environment. This lunch room has been supported with interactive computer games and has been reported by parents and students to be a positive environment. General education students have gravitated to this classroom and with the teacher acting as a facilitator, the special education students are developing age appropriate social skills. Technology has been provided through these funds to support special education teachers in their classrooms. Preschool funds were utilized for professional development for the initiation of the creative curriculum. Further, the funds were used to purchase a new IEP Case Management data base system. This web based system is designed to be user friendly and will aid in compliance and time management. The system is also designed to work with the district's student information system to aid in the completion of state reports.

The district developed the High School Programs in response to student, teacher and parent input so that special education students were able to benefit from instruction and develop social, study and selfadvocacy skills. By focusing on transition activities, the district hopes to expand the options available to these students at the post secondary level. Post student outcome studies will measure the effectiveness of their activities and aid in the expansion and refinement of these programs. The adoption of the creative curriculum for preschool students assists the teachers and students in the provision and acquisition of skills aligned with core curriculum content standards. This program will supply students with the basic learning tools for school success.

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**DETAILED FINDINGS AND RECOMMENDATIONS**

**IDEA**

**Finding 1:**

**Condition:** The district was able to provide a list of students identified for IDEA and ARRA-IDEA nonpublic services. However, the Individual Service Plans (ISP) were not provided as the district does not have a copy of these plans. They are unable to match the services that are being provided to ensure that the students in the nonpublic setting are being provided with services and materials/equipment in accordance with their plans. Further, there is no indication that the district is aware of the location of the equipment or technology.

**Citation:** IDEA Regulations 34CFR §300.130-300.144.

**Required Action:** The district must develop a separate list of nonpublic students and services provided by the grant and maintain a copy of the ISP. The ISP must be reviewed to reflect the funding source and specify the services and equipment/materials provided. The district must ensure that the plans are reviewed and are in compliance with N.J.A.C. 6A:14.

**Finding 2:**

**Condition:** The district did not have detailed equipment inventory for items purchased with ARRA IDEA funds. (Public and Nonpublic)

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

**Required Action:** The district must have formal tracking of equipment purchased with federal grants. Although the state threshold for reporting equipment is \$2,000 in the Electronic Web Enabled Grant (EWEG) system, the district may have its own lower threshold. The district must track any amount that is less expensive to track than it is to replace. All inventoried items should include tag number, cost, location, date of purchase and item description.

**Financial Management and Reporting Findings and Recommendation:**

**Finding 1:**

**Condition:** The district is charging ARRA-IDEA Basic and ARRA-IDEA Preschool to the 200 series program codes in the general ledger when they should be charged to program codes in the 450 to 469 series "Other Federal Projects."

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**Citation:** Uniform Minimum Chart of Accounts for New Jersey Public Schools.

**Required Action:** The district must establish accounts using the appropriate program codes in the general ledger and transfer the balances from the incorrect accounts. The district was provided with the detailed transaction data accordingly.

**Finding 2:**

**Condition:** The district was not tagging applicable equipment purchases as being purchased with federal funds.

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

**Required Action:** Equipment purchased with federal funds should be labeled as such.

**Recommendation 1:** Although the district does not have formal written policies for requesting reimbursement from the EWEG 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 Steve Hoffmann via phone at (973) 621-2750 or via email at [steven.hoffmann@doe.state.nj.us](mailto:steven.hoffmann@doe.state.nj.us).