



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

April 18, 2011

Mr. Steven Mayer, Superintendent
Robbinsville Township Board of Education
155 Robbinsville-Edinburg Road
Robbinsville, NJ 08691

Dear Mr. Mayer:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Robbinsville 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 January 31, 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 Robbinsville 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:Robbinsville Twp. BOE Cover Letter
Enclosures

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**ROBBINSVILLE TOWNSHIP BOARD OF EDUCATION
155 ROBBINSVILLE-EDINBURG ROAD
ROBBINSVILLE, NJ 08691
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American Recovery & Reinvestment Act 2009
New Jersey K-12 Education

**ARRA MONITORING REPORT
APRIL 2011**

District: Robbinsville Township
County: Mercer
Dates on-Site: February 23 through 25, 2011
Case #: ARRA-071-09

FUNDING SOURCES

Program	Funding Award
State Fiscal Stabilization Fund – Education Stabilization Fund	\$28,006
State Fiscal Stabilization Fund – Government Services Fund	1,084
ARRA-IDEA Basic	535,410
ARRA-IDEA Preschool	19,378
Total ARRA Funds	<hr/> \$583,878
IDEA Basic	\$446,375
IDEA Preschool	24,221
Total Non ARRA Funds	<hr/> \$470,596
Total Funds	<hr/> <hr/> \$1,054,474

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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 Robbinsville 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: State Fiscal Stabilization Funds (SFSF) including the Education Stabilization Fund (ESF) and Government Services Fund (GSF); IDEA Basic; IDEA Preschool; ARRA-IDEA Basic; and ARRA-IDEA Preschool for the period July 1, 2009 through January 31, 2011. The monitoring also included a review of the district's final ARRA section 1512 and SFSF cash management 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 January 31, 2011:

- ESF expenditures totaling \$28,006 were reviewed;
- GSF expenditures totaling \$1,084 were reviewed;
- IDEA Basic expenditures totaling \$208,827 were reviewed;
- IDEA Preschool expenditures totaling \$9,938 were reviewed;
- ARRA-IDEA Basic expenditures totaling \$232,267 were reviewed; and
- ARRA-IDEA Preschool expenditures totaling \$4,359 were reviewed.

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GENERAL DISTRICT OVERVIEW OF USES OF SFSF and IDEA FUNDS

State Fiscal Stabilization Funds (SFSF)

The district used ESF and GSF funds to pay for a staff salary. The staff selected was appropriate to be used for these funds.

ARRA-IDEA Basic and Preschool and IDEA Basic and Preschool Projects

The district serves 397 classified students. There are 37 students whose needs are being met in out-of-district settings. The original IDEA and ARRA-IDEA applications have been approved, but the district also created an Amendment 1 for ARRA which had not been submitted to the NJDOE at the time of this documentation review.

The district has ARRA and IDEA grant allocations for instructional materials and a teacher and consultants to work with students with disabilities. The ARRA Plan indicated that the district planned to purchase two vans/buses. The district also committed funds to purchase assistive technology, Mimio boards, computers, materials and supplies for a new autism program. Additionally, the district provided funding for substitute teachers to provide coverage for special education teachers attending IEP meetings and professional development. The district's ARRA funds provided for a partial salary for a technology teacher; however, the position was filled as a system analyst position to review NJ ASK and other district-wide standardized tests. The ARRA-IDEA Preschool funds were used to purchase two SMART boards, provided community trips for the students to enhance life skills and grant funds to provide professional development for one teacher to attend Wilson Reading instructors' training.

The district funded programs, services, material and salaries and established methods to monitor the impact of IDEA and ARRA-IDEA funds for students with disabilities. Reading progress of individual students was measured for students receiving reading instruction through the Wilson Reading program and Teacher's College program at the upper elementary school level. Special education teachers monitored reading progress by utilizing the Developmental Reading Assessment (DRA) program in the elementary school and the Fontas and Pinnela system at the upper elementary and middle school. The district also used teacher generated assessments, as well as the standardized testing to measure the students' progress.

The district utilized specific criteria for the pull-out reading programs that use the Wilson reading program, established exit criteria for students in the program and implemented specific progress monitoring. The district also created an in-district autism preschool program with program monitoring.

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DETAILED FINDINGS AND RECOMMENDATIONS

SFSF Funds

There were no findings or recommendations in this area.

ARRA-IDEA Basic and Preschool and IDEA Basic and Preschool Projects

Finding 1: The district did 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 district must verify the time and activity of staff charged to the grant. Also, the district must submit a list of IDEA and ARRA-IDEA funded staff, salaries, funding percentages and time sheets to date, including administrative staffing, to the NJDOE for review.

Finding 2: The district budgeted a percentage of a technology teacher position to analyze district-wide data using ARRA-IDEA Basic funds. However, there was no documentation to support the percentage of the teacher's salary allocated to the IDEA funding source or the work performed for the benefit of students with disabilities. Amounts charged must be used only to pay the excess costs of providing special education and related services to children with disabilities.

Citation: IDEA Regulation 34 CFR 300.202(a)(2) (*Use of Funds*).

Required Action: The district must review the local special education district budget to ensure that the ARRA-IDEA Basic funds are not used for district-wide projects. The district must remove the ineligible costs and submit adjusting entries showing the removal and board approval for the adjustments. A detailed listing of all adjusted costs must be submitted to the NJDOE for review.

Finding 3: The district did not have the required supporting documents to verify the professional development activity funded by the ARRA-IDEA 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 district must provide the agenda and participant sign in sheets for the professional development conferences or activities charged to the grant.

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Finding 4: The district is charging the IDEA grant for instructional software that is being used in other district programs and is not solely for the benefit of students with disabilities. Amounts charged to the grant must be to pay the excess costs of providing special education and related services to children with disabilities.

Citation: IDEA Regulation 34 CFR 300.202(a)(2) (*Use of Funds*).

Required Action: The district must remove the ineligible costs and submit adjusting entries showing the removal and board approval for the adjustments. A detailed listing of all adjusted costs must be submitted to the NJDOE for review.

Finding 5: The district staff salaries charged to the ARRA-IDEA Basic grant were not approved by the district's board of education. The district used the funds for substitutes for IEP review coverage of special education staff.

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 all staff salaries charged to any federal grant approved by the board of education annually. The district must submit minutes showing the approval of staff funded for the ARRA-IDEA Basic 2010-11 grant period to the NJDOE for review.

Finding 6: The review identified six purchase orders (IDEA Preschool and ARRA-IDEA Preschool) that had been altered without written documentation and authorization.

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

Required Action: Payments should not exceed the amount of the purchase order without approval from the authorizing person designated by the board.

Finding 7: The district used Hamilton Pediatric Therapy to provide Occupational Therapy services without the benefit of a formal contract. Services to classified students must be provided by either an employee of the district or a third-party contractor.

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

Required Action: The district must have a formal contract in place with the third-party contractor that details all the requirements including professional development, parental

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involvement, fees, and ownership of property. The district must submit a copy of the formal contract to NJDOE for review.

Recommendation 1: 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.