



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

October 14, 2011

Mr. Ryan Hill, Lead Person
TEAM Academy Charter School
85 Custer Avenue
Newark, NJ 07112

Dear Mr. Hill:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **TEAM Academy 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 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 TEAM Academy 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'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:TEAM Academy Charter School Cover Letter
Enclosures

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**STATE OF NEW JERSEY
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TEAM ACADEMY CHARTER SCHOOL BOARD OF EDUCATION
85 CUSTER AVENUE
NEWARK, NJ 07112
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American Recovery & Reinvestment Act 2009
New Jersey K-12 Education

**ARRA MONITORING REPORT
OCTOBER 2011**

District: TEAM Academy Charter School
County: Essex
Dates on-Site: November 30 and December 1, 2010
Case #: ARRA-077-09

FUNDING SOURCES

Program	Funding Award
ARRA-Title I	\$490,534
ARRA-IDEA Basic	234,131
Total ARRA Funds	<u>\$724,665</u>
Title I	\$761,951
IDEA Basic	163,113
Total Non ARRA Funds	<u>\$925,064</u>
Total Funds	<u>\$1,649,729</u>

**TEAM ACADEMY CHARTER SCHOOL
ARRA MONITORING REPORT
OCTOBER 2011**

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 TEAM Academy Charter School (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; ARRA-Title I; IDEA Basic and ARRA-IDEA Basic for the period July 1, 2009 through June 30, 2010. No funds were spent on ARRA-Title I until the Summer of 2010 so July and August payroll was reviewed and is included as a part of this review.

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:

- Title I expenditures totaling \$193,899.88 were reviewed;
- ARRA-Title I expenditures totaling \$115,412.76 were reviewed;
- IDEA Basic expenditures totaling \$71,611.21 were reviewed; and
- ARRA-IDEA Basic expenditures totaling \$58,609.73 were reviewed.

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GENERAL DISTRICT OVERVIEW OF USE OF TITLE I AND IDEA FUNDS

ARRA-Title I and Title I Projects

The school did not utilize the ARRA-Title I, Part A funds during the 2009-2010 school year. The district has earmarked the ARRA-Title I, Part A funds for the 2010-2011 school year to support the salaries of 10 teachers and four administrator positions. These individuals will focus on instruction and support for an extended day program and extended year program, parental involvement and data analysis tools to drive instruction. No expenditures occurred during the 2009-10 school year but expenditures began on July 1, 2010.

The Title I funds were used for salaries and benefits of 14 teachers and three administrator positions. These staff members provided an extended day and extended year program, parental involvement program and data analysis tools to drive instruction. In addition, a Saturday program was provided. The program director indicated that the program was offered as an extension of the regular classroom program.

IDEA Projects

IDEA funding has been used to pay for three full-time special education teachers to teach students in inclusion classes and resource room settings for reading and mathematics at the middle and high school.

ARRA-IDEA funding has been used to pay staff in newly established programs specifically, one teacher at the secondary level for resource pull out support for reading and mathematics and one special education teacher at the secondary level for resource in class support. Funding was also used to pay for a social worker/case manager.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The school cannot provide evidence of convening the Title I annual meeting for parents to inform them of the school's participation in Title I and the Title I parent involvement requirements and rights.

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

Required Action: The school must submit the invitational letter/flyer, meeting notes, sign in sheets, and the agenda from the 2010-2011 meeting to the NJDOE for review. The school's central administration must work with building level administration to ensure that the school provides the agenda, attendance records, and minutes of the meeting as evidence that this meeting has occurred.

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Finding 2: The school did not provide evidence that the school parent involvement policy, school parent involvement policy and school parent compact are on the district's website.

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

Required Action: The school must submit the link to the school's website showing that the documents have been posted on it. The school's administrators need to invite input from the parents of eligible students in the development of their parental involvement policies and show that the collaborative efforts yielded an agreed upon policy. Evidence that this policy was distributed to the parents must also be made available.

Finding 3: There is no evidence that the school issued the follow-up Parents' Right-to-Know letter. The school has several teachers of core academic subjects who do not meet the federal definition of a "highly qualified teacher." Therefore, the school should have issued a follow-up Parents' Right-to-Know letter to any parent whose child is being taught for four or more consecutive weeks by a teacher who does not meet the federal qualifications for being highly qualified.

Citation: 34 CFR 200.6: Parents' Right-To-Know.

Required Action: The school must immediately distribute the follow-up Parents' Right-to-Know letter to the parents of all students being taught for at least four weeks by a teacher with a county substitute credential. A template of the letter is located on the NJDOE website (<http://www.state.nj.us/education/title1/hqs/rtk.htm>). The school must forward a copy of the letter to the NJDOE for review.

Finding 4: The school failed to formally appoint by board resolution, 17 individuals charged to the Title I program. Board minutes do not indicate which employees were funded by the Title I program.

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: All staff charged against grants must be reappointed annually by board resolution. Employees charged against ARRA and Title I funds should be indicated as such in the minutes.

Finding 5: The school did not maintain supporting documents to verify the time and activity of ARRA-Title I funded staff, (including administrative 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 grant. The district must submit a list of 2009-2010 Title I funded staff salaries (including

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administrative staff), funding percentages and time sheets to date to the NJDOE for review.

Finding 6: The Title I Unified Plan was presented at the monitoring visit, but it was not included in the school's Title I application on the Electronic Web Enabled Grant (EWEG) system, as required.

Citation: NCLB §1114(B): Schoolwide Programs (*Plan Development*).

Required Action: The Unified Plans must be uploaded to the school's Title I application on the EWEG system.

Finding 7: The school misclassified line items of parental support staff and parent coordinators with instructional staff in their accounting records. These expenditures should be listed as support services in both school accounting records and the EWEG system. Personnel who are clearly not instructional may not be charged to instructional lines and the current grant must be modified to accurately align these persons with their job description.

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 amend its current Title I application and corresponding accounting records to classify staff according to their function. A revised budget summary must be submitted through the EWEG system.

IDEA

Finding 8: The school did not maintain supporting documents, such as time sheets or verified master schedules, to certify the activity of IDEA and ARRA-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 grant. The school must submit a list of FY 2009-2010 IDEA and ARRA-IDEA funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review.

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Financial Management and Reporting

Recommendation 1: 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 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 school's Purchasing Manual does not address the issue of contracting with disbarred vendors although there were administrative controls in place to prevent this from occurring in the general bid specifications used by the school.

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 school should 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.