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July 26, 2016

TO: Directors, Private Schools for Students with Disabilities

FROM: Michael Mindlin, CPA *Michael Mindlin*
Director Office of Fiscal Policy & Planning

SUBJECT: *Annual Information for 2016-2017 - Revised*

This letter provides minor revisions to the original letter dated April 2, 2016. I am writing to advise approved private schools for students with disabilities of the availability of annual information documents published on www.state.nj.us/education. Each document/form is labeled and contains a link to a .pdf, Excel, or MS Word file. The directions for completion of any form that requires submission to OSF are contained in the same document as the form. Please be aware that although the information requests are posted under 2016-2017 Annual Information, several of the requests relate to the 2015-2016 school year.

Please ensure that appropriate personnel in the school's administrative office receive a copy of this memo and the applicable forms. If there are any questions relative to the content of this notice, please contact OSF at doe.pssd@doe.state.nj.us.

Annual Information Documents

(1) 2015-2016 School Summary Register Form

In accordance with N.J.A.C. 6A:23A-18.8(b), each approved private school for students with disabilities shall submit the *school summary register information* annually to the Commissioner by September 1st, to verify the average daily enrollment *for the previous school year*. For the 2015-2016 school year, the form must reflect enrollment for both the extended school year and ten (10) month school year. Please complete and submit the school summary register form, for the July 1, 2015 through June 30, 2016 school year, by September 1, 2016, via email to doe.pssd@doe.nj.state.us.

The form can be found at <http://www.nj.gov/education/finance/fp/psd/1617/annual.shtml>.

(2) Related Party Transactions

In accordance with N.J.A.C. 6A:23A-18.5(a)(47), a related party transaction is defined as a transaction between parties in which one party to the transaction is able to control or substantially influence the actions of the other. Such transactions are defined by the relationship of the parties and include, but are not limited to, those between divisions of an institution; institutions or organizations under common control through common officers, directors, or members; and an institution and a director, trustee, officer, or key employee of the institution or his or her immediate family either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest. In accordance with N.J.A.C. 6A:23A-18.5(a)(47), a cost which is not allowable in the calculation of the certified actual cost per student includes *rental costs for buildings and equipment or other services or goods* in excess of the actual allocated costs of ownership incurred by the related property owner including a 2.5 percent return calculated on the actual costs of ownership incurred by the related party.

The form can be found at http://www.state.nj.us/education/finance/fp/psd/1617/party_transactions.pdf

(3) Employee Time Record

In accordance with N.J.A.C. 6A:23A-18.4(a)10, an approved private school for students with disabilities shall prepare a payroll that is supported by an accurate employee time record in a format prescribed or approved by the Commissioner, signed by the employee and supervisor, prepared in the time period in which the work was done and completed at minimum on a semi-monthly basis.

An employee time record shall be prepared for all employees of the private school for students with disabilities including all administrative employees. The Department of Education has two prescribed formats for maintenance of employee time records: one for an individual employee and one for multiple employees. The forms are in excel format within separate tabs within the same excel file.

If a private school chooses not to use one of the attached formats, the school must receive Commissioner's approval of its form prior to implementing its use. When requesting approval of an alternative format, please provide a copy of the proposed format. The form can be found at <http://www.nj.gov/education/finance/fp/psd/1617/annual.shtml>.

(4) Prescribed Financial Report – Quarterly (2016-2017)

In accordance with N.J.A.C. 6A:23A-18.4(a)(11), an instruction manual and an Excel template of the 2016-2017 Prescribed Financial Report are available on the DOE website at: <http://www.nj.gov/education/finance/fp/psd/1617/annual.shtml>. To facilitate completion, the template may be downloaded for use by the approved private school for students with disabilities.

(5) Prescribed Mileage Format

In accordance with N.J.A.C. 6A:23A-18.4(a)18, a mileage record shall be maintained for each school-owned vehicle, leased vehicle or vehicle contained in a related party transaction involving the purchase of transportation services in a format prescribed by the Commissioner. The format is available online with the Related Party Transaction form. The mileage record shall be maintained on a trip-by-trip basis and include any personal use including to/from work commutation. At the end of the fiscal year, the percentage determined by the total personal miles to total miles shall be applied to all costs associated with the vehicle(s) and those costs shall be excluded from the actual allowable costs. Vehicle costs may include, but not be limited to, the following: depreciation, lease costs, gas, oil, repairs and maintenance and insurance.

The mileage record must include the following: vehicle make, model, color, year and license number and include the following information for each trip:

1. Date of trip;
2. Purpose of trip;
3. Business or personal usage;
4. Destination;
5. Beginning and ending odometer reading; and
6. Driver of vehicle.

In accordance with N.J.A.C. 6A:23A-18.5(a)40 and 42, any cost associated with travel to and from the officer's or employee's home and the school or agency and the personal use of a school-owned or leased vehicle, which includes to/from work commutation as determined in accordance with N.J.A.C. 6A:23A-18.4(a)18 must be considered a non-allowable cost. If a mileage log is not maintained, the costs associated with a school-owned or leased vehicle or vehicle contained in a related party transaction involving the purchase of transportation services must be considered non-allowable costs in accordance with N.J.A.C. 6A:23A-18.5(a)43.

(6) Allowable Reimbursement for the Cost of Meals and Hotel Accommodations

In accordance with N.J.A.C. 6A:23A-18.5(a)35, the cost of meals and hotel accommodations associated with daily or overnight travel, in excess of those contained in New Jersey Office of Management and Budget (OMB) Circular Letter 16-11-OMB (effective March 1, 2016 and supersedes all previous travel regulations) is not an allowable cost included in the calculation of the certified actual cost per student. Circular Letter 16-11-OMB refers to the Federal Per Diem Rates Schedule, which provides a listing of all states and major cities, along with the amounts allowed to be expended per day for the major categories of lodging and meals/incidentals at each location.

The per diem rates reflected under the column heading "M&IE" for meals and incidental expenses include all taxes and gratuities. The per diem rates reflected under the column heading "Lodging

Rate” do not include any type of taxes (all taxes are reimbursed in addition to the amount indicated).

The following restrictions apply to the allowable per diem reimbursements:

1. No overnight travel is permitted within the State unless the Commissioner has approved a waiver of the prohibition on overnight travel requested by the sponsoring organization;
2. For all official business travel, allowable per diem reimbursement for lodging and meals will be actual reasonable costs, not to exceed the federal per diem rates as established in the Federal Register for the current year;
3. If an employee’s destination is somewhere other than the locations listed in the Federal Register, then the maximum per diem reimbursement allowable is \$51 for meal/incidental expenses and \$89 for lodging;
4. No allowance for meals is permitted for in-State travel except in limited circumstances authorized in Circular Letter 16-11-OMB;
5. The following expenses are not allowable:
 - Charges for alcoholic beverages;
 - Charges for laundry, valet service, entertainment;
 - Reverse telephone charges or third party calls;
 - Charges for telephone calls applying for or inquiring about leaves of absence or extensions thereof, inquiring as to payment of salary or expense vouchers, or calls concerning any matter of purely a personal nature; and
 - Recall of any employee to duty during a period of leave of absence shall be avoided, except in cases of extreme emergency.

The listing of the per diem rates will be posted on the Department’s Web site at the private schools for students with disabilities page at <http://www.nj.gov/education/finance/fp/psd/1617/annual.shtml>. Subsequent updates or revision to the Federal Per Diem rates are available at: <http://www.gsa.gov/portal/content/104877>.

(7) Administrative Code

A .pdf version of the current administrative code governing private schools for students with disabilities is available on the Department of Education’s website at: <http://www.nj.gov/education/finance/fp/psd/1617/annual.shtml>.

(8) Tuition Contracts

The private school for students with disabilities mandated tuition contracts are now available on the Department of Education’s website at <http://www.nj.gov/education/finance/fp/psd/1617/annual.shtml>. Instructions are also available at this link. Use of the mandated tuition contract is required. The format and content of mandated tuition contracts is not subject to modification.

The contracts provide the private schools/school districts the ability to execute only one contract for each pupil which would include all the available services, if applicable (ten month school year, extended school year and extraordinary services). There is no need to execute separate contracts for a pupil for each time period and/or service. OSF recommends that the parties (private schools/school districts) execute only one contract per pupil for the entire July through June school year.

(9) Department of Treasury Affirmative Action Regulations - Private Schools for Students with Disabilities Mandated Tuition Contracts for the 2016-2017 School Year

The Department of Treasury's Affirmative Action regulations require specific language in contracts with public agencies. The private schools for students with disabilities mandated tuition contract for 2016-2017 contains this language in sections #14 and #16 of the form contracts.

In accordance with N.J.A.C. 17:27-4.3 promulgated by the Department of Treasury pursuant to N.J.S.A. 10:5-31 et seq., all contractors (i.e., private schools for students with disabilities) entering into a valid service contract with a public agency (i.e., board of education) are required to submit to the public agency one of the following forms of evidence:

- i. Letter of Federal Affirmative Action Plan Approval, that the contractor is operating under an existing federally approved or sanctioned affirmative action program; or
- ii. A Certificate of Employee Information Report; or
- iii. An Employee Information Report Form (AA302) provided by the public agency (i.e., board of education) and completed by the contractor.

Please be advised, the appropriate evidence must be submitted to the public agency (i.e., board of education) after notification of award of the contract but prior to signing a goods and services contract, whichever is earlier. To obtain a copy of the Employee Information Report Form (AA302), please request a copy from one of the boards of education which sends pupils to your school. Prior to completing the report, please read and follow the instructions for completing the form. The links to the forms above are from the Department of Treasury and may not be obtained from the Department of Education. Please be advised, this form must not be filed with the Department of Education. The necessary forms can be found at: http://www.state.nj.us/treasury/contract_compliance/forms.shtml and http://www.state.nj.us/treasury/contract_compliance/contact.shtml, OR on the link under the tuition contracts.

(10) Tentative Tuition Rate Charged

Please complete the applicable form which is a request for your school's 2016-2017 tentative tuition rates to be charged and various administrative information. Directions on completion are contained on the first page of the form. The form can be found at <http://www.nj.gov/education/finance/fp/psd/1617/annual.shtml>.

(11) Maximum Salary (forthcoming)

(12) Recognized Position Titles (forthcoming)

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C: Auditor, Private Schools for Students with Disabilities

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