STATE BOARD OF EDUCATION

ARCELIO APONTE ...............................................................Middlesex
   President

RONALD K. BUTCHER .........................................................Gloucester
   Vice-President

KATHLEEN A. DIETZ ..........................................................Somerset

EDITHE FULTON ..............................................................Ocean

ROBERT P. HANEY ...........................................................Monmouth

JOSEPHINE E. HERNANDEZ .................................................Union

ERNEST P. LEPORE ..............................................................Hudson

FLORENCE MCGINN ...........................................................Hunterdon

ILAN PLAWKER .................................................................Bergen

DOROTHY STRICKLAND .......................................................Essex

Bret Schundler, Commissioner
Secretary, State Board of Education
# CONTENTS

| I. Digest of the Private Schools for Students with Disabilities Audit Laws | N-1 to N-3 |
| II. Directives to the Private School’s Governing Body | N-4 to N-11 |
| Budget | N-4 |
| Bookkeeping Records | N-5 |
| Petty Cash Fund | N-6 |
| Student Body Activity Funds | N-6 |
| Rules of Professional Conduct | N-7 |
| Cooperation With the Auditor | N-8 |
| Hearing on Audit | N-10 |
| III. Private School for Students with Disabilities Bookkeeping | N-12 to N-26 |
| Private Placement Services | N-12 |
| Funds - Restricted and Unrestricted | N-13 |
| Fund Accounting for Non-Profit Organizations | N-14 |
| Modified Fund Accounting for Profit-Making Organizations | N-15 |
| Fixed Asset Accounting | N-16 |
| Cash Receipts Journal | N-18 |
| Cash Disbursements Journal | N-20 |
| General Ledger | N-20 |
| Tuition Ledger | N-22 |
| Fixed Asset Inventory | N-23 |
| New Jersey School Register | N-23 |
| Other Records | N-25 |
| IV. Scope of Funds to be Audited | N-27 to N-28 |
| Scope of Funds to be Audited | N-27 |
| Organizations Under the Auspices of the School | N-27 |
| Fund Raising in Schools by Outside Organizations | N-27 |
| Funds Belonging to Outside Organizations | N-28 |
| Funds of Teacher Organizations and Parent Teacher Units | N-28 |
| Funds Collected by Teachers | N-28 |
V. Conducting the Private School Audit

Special Purpose/Component Financial Statements
School’s Governing Body Minute Records
Budgets
Revenues and Receipts
Tuition
Expenditures
Non-Allowable Costs
Statement of Expenditures by Line Item
Statement of Total Expenditures
Statement of Percentages for Cost Category Assignments
Statement of Enrollment
Statement of Tuition Rate Computation Parts I & II
Statement of Tuition Rate Computation - Working Capital
Statement of Tuition Rate Computation - Surcharge
Statement of Extraordinary Services – Expenditures by Line Item
Statement of Extraordinary Services – Tuition Rate Computation
Statement of Billing Adjustment
Statement of Non-Allowable Costs
Statement of Food Service
Statement of Interest/Dividends Earned – Investment of Tuition Funds
Early Intervention Program
Revenues, Expenses, Fund Balances and Retained Earnings
Statement of Accruals and Accounts Payable
State of NJ Singe Audit Act
Balance Sheet
Reporting Requirements for Non-Profit Organizations
Notes to Financial Statements
Recommendations
Audit Summary Worksheet
Listing of Common Non-Compliance Errors in 2008-2009

VI. Sample of Audit Report - Profit

VII. Sample of Audit Report - Nonprofit

APPENDIX A - N.J.A.C. 6A:23-4.1 through 4.16

APPENDIX A-1 - N.J.A.C. 6A:23A- 18.1 through 18.16
APPENDIX B - Chart of Accounts for Private Schools for Students with Disabilities.

APPENDIX B-1 - Narrative Explanation of the Chart of Accounts for Private Schools.

APPENDIX C - Private Schools for Students with Disabilities Financial Report Prescribed by the Department of Education.

APPENDIX D - Department of Education Mandated “Tuition Contract” for the Ten Month School Year and the Extended School Year.

APPENDIX E - Cost of Meals and Hotel Accommodations.

APPENDIX F - Optional Department of Education Prescribed Employee Time Record Format.

APPENDIX G - Addresses - County Offices of Education.

APPENDIX H - State OMB Circular Letter 04-04 (refer to www.state.nj.us/treasury/omb).

APPENDIX I - Maximum Salaries for 2009-2010.

APPENDIX J - 2009-2010 Tentative Tuition Rates for Private Schools for Students with Disabilities.

APPENDIX K - Approval for 2009-2010 Tentative Tuition Rates for Private Schools for Students with Disabilities, Based on Appeal.

APPENDIX L - 2009-2010 Tentative Tuition Rates for New Private Schools for Students with Disabilities.

APPENDIX M - Private Schools in Session Less Than the Required 180 Days of Instruction.

APPENDIX N - Recognized Position Titles.


APPENDIX P - Prescribed Cost of Ownership Format For Related Party Transactions.

APPENDIX Q - Federal OMB Circular A-133 refer to (http://gaqc.aicpa.org/Resources/Illustrative+Auditors+Reports/).


APPENDIX S - Audit Summary Worksheet.
APPENDIX T  -  T-1 Cost Category Assignments - Calculation of Non-allowable Costs - Excess Administration Percentage.
T-2 Cost Category Assignments - Calculation of Non-allowable Costs - Deficient Instruction Percentage.
T-3 Cost Category Assignments - Calculation of Non-allowable Costs - Excess Administration and Deficient Instruction Percentages.

APPENDIX U  -  Prescribed Mileage Format for School-Owned or Leased Vehicles.

APPENDIX V  -  School District Code Listing.

The 2009-2010 complete update to “Financial Accounting for New Jersey Private Schools for Students with Disabilities – The Audit Program” is available on the Department of Education’s website at www.state.nj.us/education. Under the pull down “Overview of DOE Programs”, click on “Finance.” Under the “Division of Finance” homepage, click on “Private Schools for Students with Disabilities” under the heading “Most Requested Items” which is on the right side of the page. Click on 2009-2010 Update to Financial Accounting for New Jersey Private Schools for Students with Disabilities – The Audit Program.

If you would like to order a complete copy of this manual, please call Publications and Distribution Services at (609) 984-0905.