

STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
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BEVERLY CITY SCHOOL DISTRICT
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New Jersey K-12 Education

CONSOLIDATED MONITORING REPORT
MAY 2015

District: Beverly City School District
County: Burlington
Dates On-Site: February 11, 2015
Case #: CM-006-14

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 177,560
Title II, Part A	31,778
IDEA Basic	113,178
IDEA Preschool	3,048
Race To The Top	14,537
Total Funds	<u>\$ 340,101</u>

**BEVERLY CITY SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
MAY 2015**

BACKGROUND

The Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Act (IDEA) and other federal laws require local education agencies (LEAs) to provide programs and services to their districts based on the requirements specified in each of the authorizing statutes (ESEA, IDEA, Race to the Top and Carl D. Perkins). 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 Beverly City School District to monitor the district's use of federal 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: Title I, Part A (Title I); Title II, Part A (Title II); IDEA Basic and Preschool; and Race to the Top for the period July 1, 2013 through February 11, 2015.

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 reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews, as well as conducted interviews with program administrators and other district personnel as required. Additionally, the IDEA grant review included a review of student records, classroom visitations and interviews with instructional staff to verify implementation of Individualized Education Programs (IEP), a review of student class and related service schedules, and interviews of child study team members and speech-language specialists.

EXPENDITURES REVIEWED

The grants that were reviewed included Title I, Title II, IDEA Basic and Preschool, and Race to the Top for the period July 1, 2013 through February 11, 2015. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

**BEVERLY CITY SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
MAY 2015**

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I, TITLE II, IDEA AND RACE TO THE TOP FUNDS

Title I

The district operates a Title I Schoolwide program in its Title I funded school. The district identified Closing the Achievement Gap, English Language Arts, and Mathematics for all Students and Economically Disadvantaged as priority problems.

Title II

The district is using Title II funds for English Language Arts/Literacy professional development, specifically to improve reading and writing in all grades. Further, supplemental professional development focusing on mathematics strategies such as differentiation and algebraic expressions will start in the second half of the 2014-15 school year. These consultants supplement the professional development that is being provided by a district employee.

IDEA (Special Education)

The district is using FY 2015 IDEA funds to reduce district tuition expenditures for students receiving special educational services in approved private schools for students with disabilities.

Race to the Top

The district is using Race to the Top funds primarily to fund a teacher evaluation system (Danielson Model) and professional development to fulfill requirements of Achieve NJ.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district used Title I funds for the following unallowable expenditure:

- Beverly City School Improvement Plan - Teacher Salary (\$53,268).

For schools operating a Title I Schoolwide program, services and expenditures must be reflected in the schoolwide plan(s)/School Improvement Plan (SIP). Specifically, the plan must articulate that the expenditure addresses an issue identified through the comprehensive needs assessment process and how the expenditure will support interventions that are necessary and reasonable to meet the intent and purpose of the Title I legislation.

Citation: P. L. 107-110 §1111-1127: Improving the Academic Achievement of the Disadvantaged; 34 CFR 200.25: *Schoolwide programs in general*; ESEA §1120A(b)(1): Federal Funds to Supplement, Not Supplant, Non -Federal Funds.

**BEVERLY CITY SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
MAY 2015**

Required Action: The district amended its SIP to provide the needed specificity for the teacher’s salary and articulated how the interventions would address the achievement gaps in its Focus school. Therefore, no further action is required.

Finding 2: The district could not provide evidence as to when it’s Title I written parental involvement policy was distributed. Per the legislative requirement, parents/guardians must be involved in the development of the written parental involvement policy and informed of how they can further engage in the academic performance and achievement of their children.

Citation: ESEA §1118(b): Parental Involvement (School Parental Involvement Policy).

Required Action: For FY 2015-2016, the district must ensure that it distributes its written parental involvement policy to all parents/guardians in all of its funded Title I schools and submit evidence of distribution to the NJDOE for review.

Finding 3: The district could not provide documented evidence of convening the annual Title I parent meeting. In a Title I schoolwide program, all parents/guardians must be informed about the school’s Title I program, legislative requirements, and how they can actively engage in helping their child/children succeed academically.

Citation: ESEA §1118(c)(1): Parental Involvement (Policy Involvement).

Required Action: The district must convene its annual Title I parent meeting for the parents/guardians in all of its funded Title I schools and submit evidence of the meeting (e.g., invitational letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

Finding 4: The district’s reimbursement of employer’s FY 2013-2014 TPAF/FICA was not computed or remitted to the NJDOE. Districts must reimburse the State of New Jersey for the employer’s cost of pensions, group life insurance, social security and other benefits to the Teacher’s Pension and Annuity Fund (TPAF). This requirement applies to the contractual salaries of TPAF members paid in full or in part by federally financed programs. The table below depicts the proper computation of TPAF/FICA and the amount which is payable to the State of New Jersey:

Salaries	Title I	Other Federal	Total	Rate	Total
Contractual Salaries	\$104,913.00	\$0.00	\$104,913.00	11.41%	\$11,970.57
Amounts subject to SS	\$104,913.00	\$0.00	\$104,913.00	7.65%	\$8,025.85
Amounts only subject to Medicare	\$0.00	\$0.00	\$0.00	1.45%	\$0.00
Amount Due					\$19,996.42
Less: Amount Previously Paid					0.00
Amount Due & Refundable					\$19,996.42

**BEVERLY CITY SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
MAY 2015**

Citation: N.J.S.A. 18A:66-90: Federal funds; state to be reimbursed; ascertainment of amount.

Required Action: The district must implement procedures to ensure the proper submission of the Federal Programs TPAF/Social Security Reimbursement Report each year. Also, the district must ensure that TPAF/FICA reimbursement costs are properly calculated, expended and refunded in accordance with N.J.S.A. 18A:66-90. The unpaid liability of \$19,996.42 must be refunded to the NJDOE.

Title II

Finding 5: A review of the district's general ledger disclosed that Title II expenditures were allocated to account numbers containing incorrect line items. Specifically, the district recorded stipends under the line item used for purchased professional and technical services (200-300).

The Uniform Chart of Accounts for New Jersey School Districts designates function/object codes 100-100 to record these expenditures. The use of distinct function/object codes provides an audit trail of the amounts spent for each project.

Citation: N.J.A.C. 6A:23A-16.2 (f) (1): Principles and directives for accounting and reporting; and 34 CFR 76.730 (e): *Records related to grant funds* and 80.20 (b) (2): Standards of financial management systems (*Accounting records*).

Required Action: Prior to the issuance of this report, the district furnished records demonstrating correction of the salary line item. The district should review its expenditures for FY 2014-2015 and transfer any improperly recorded transactions to the appropriate accounts prior to submitting its FY 2014-2015 Final Expenditure Report.

IDEA (Special Education)

Finding 6: The district did not consistently document in the IEPs of students removed from the general education setting for more than 20 percent of the school day, including students placed in separate settings, consideration of placement in the least restrictive environment. Specifically, IEPs did not consistently include:

- the supplementary aids and services considered and an explanation of why the supplementary aids and services were rejected; and
- for those students placed in separate settings, activities to transition the student to a less restrictive environment.

Citation: N.J.A.C. 6A:14-4.2 (a) 8 (i), (ii) and (iii).

Required Action: The district must ensure when determining the educational placement of a child with a disability, the IEP team considers the general education class first and that all required decisions regarding the placement are documented in the IEP for each

**BEVERLY CITY SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
MAY 2015**

student removed from general education for more than 20 percent of the school day. The district must also ensure for students placed in separate settings, the IEP team identifies activities to transition the student to a less restrictive environment and document them in each IEP. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise the IEPs for specific students with IEPs that were identified as noncompliant. A monitor from NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, along with a random sample of IEPs for students whose annual review meetings were conducted between September 2015 and November 2015, and to review the oversight procedures. The names of the students with IEPs that were identified as noncompliant will be provided to the district by the monitor.

Finding 7: The district did not consistently ensure that required participants were in attendance at IEP team meetings for students eligible for special education and related services who attend an out-of-district placement.

Citation: N.J.A.C. 6A:14-2.3 (k) 1 (i-vii); 20 U.S.C. § 1414 (d) (1) (B); and 34 CFR 300.321 (a).

Required Action: The district must ensure that IEP team meetings for out-of-district students are conducted with required participants and that documentation of attendance and/or written parental consent to excuse a member of the team is maintained in student files. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review meeting documentation, including the sign in sheets, for meetings conducted between September 2015 and November 2015, and to review the oversight procedures.

Finding 8: The district did not consistently maintain documentation of the description, frequency, duration and effectiveness of the interventions provided in the general education setting through the Intervention and Referral Service (I&RS) process.

Citation: N.J.A.C. 6A:14-3.3(c): Location, referral and identification (I&RS).

Required Action: The district must ensure that when the I&RS team identifies interventions to meet the needs of a struggling learner that the team identifies and maintains documentation of the nature, description, frequency, and duration of the interventions and measures the effectiveness. In order to demonstrate correction of noncompliance, the district must conduct training for administrators and I&RS staff and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. Additionally, a monitor from the NJDOE will conduct an on-site visit to interview I&RS team members and teachers, review documentation for students

**BEVERLY CITY SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
MAY 2015**

who were provided interventions in general education between September 2015 and November 2015, and to review the oversight procedures.

Finding 9: The district did not consistently ensure the required participants were in attendance at identification meetings. Specifically, the full child study team did not consistently attend identification meetings for students potentially eligible for special education and related services.

Citation: N.J.A.C. 6A:14-2.3 (k); 20 U.S.C. § 1414 (b) (4); and 34 CFR 300.321 (a).

Required Action: The district must ensure that identification meetings are conducted with required participants and that documentation of attendance is maintained in student's records. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review meeting documentation, including sign in sheets, for identification meetings conducted between September 2015 and November 2015, and to review the oversight procedures.

Race to the Top

A review of the expenditures charged to the Race to the Top grant yielded no findings.

Administrative

Finding 10: At the time of the consolidated monitoring, the board had not approved formal written policies for requesting reimbursement of expenditures under federal awards. The district's practice for requesting reimbursement was verified through an interview concerning its internal controls.

Citation: 34 CFR 80.20: *Standards for financial management systems.*

Recommended Action: The district must have a formal board policy concerning the reimbursement of grant expenditures. Subsequent to the on-site visit, the board formally approved and submitted the requisite policy to NJDOE for review. No further action is deemed necessary.

Finding 11: The district did not obtain board approval for the acceptance of the FY 2014-2015 federal awards. ESEA requires each district to "submit an application to the State Education Agency (SEA) at such time, in such manner, and containing such information as the SEA may reasonably require." The NJDOE requires each district to go before its board of education to obtain approval for submission of the application, as well as, the acceptance of the grant funds, upon the subsequent approval of the application.

Citation: ESEA § 2122: Local Application and Needs Assessment.

**BEVERLY CITY SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
MAY 2015**

Required Action: The district must obtain the necessary board resolutions to ensure conformity with applicable federal and state requirements.

Finding 12: On several occasions, the district failed to issue a purchase order prior to services being rendered (confirming order). The district's policy and state regulations require that a properly executed purchase order be issued prior to services being rendered.

Citation: N.J.S.A. 18A:18A-2 (v) Public School Contracts Law.

Required Action: The district must implement a process to ensure that purchase orders are issued prior to receiving goods and services from vendors.

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 Kathryn Holbrook via phone at (609) 292-0198 or via email at kathryn.holbrook@doe.state.nj.us.

State of New Jersey
Department of Education
Office of Fiscal Accountability and Compliance

PROCEDURES FOR LEA/AGENCY RESPONSE
CORRECTIVE ACTION PLAN AND APPEAL PROCESS

Board of Education Response:

Pursuant to N.J.A.C. 6A:23A-5.6, the following actions shall occur:

- (a) Any school district or county vocational school district that has been subject to an audit or investigation by the Department of Education, Office of Fiscal Accountability and Compliance (OFAC) shall discuss the findings of the audit or investigation at a public meeting of the district board of education no later than 30 days after receipt of the findings.
- (b) Within 30 days of the public meeting required in (a) above, the district board of education shall adopt a resolution certifying that the findings were discussed in a public board meeting and approving a corrective action plan to address the issues raised in the findings. The resolution shall be submitted to the OFAC within 10 days of adoption by the board of education.
- (c) The findings of the OFAC audit or investigation and the board of education's corrective action plan shall be posted on the district's web site, if one exists.

If the board of education disputes any of the findings of the audit or investigation, it may file a written appeal with the OFAC of any disputed finding(s) within 10 days of adoption of the resolution. Seeking an appeal of the findings does not preclude adherence to the provisions of (a), (b), and (c) listed above.

Corrective Action Plan:

The corrective action plan is to be used when the LEA/Agency is in agreement with any of the findings. To contest a finding, the appeal process must be used. After the appeal is settled, a corrective action plan must be filed for any finding upheld during the appeal process.

The corrective action plan must be prepared by completing the attached form. The LEA/Agency must submit the following information:

- Recommendation number
- Corrective action (approved by the board)
- Method of implementation
- Person responsible for implementation
- Completion date of implementation

If the corrective action plan is acceptable, a letter will be sent to the LEA/Agency indicating that it has been accepted.

If the corrective action plan is not acceptable, a letter will be sent to the LEA/Agency indicating whether further clarification is required or further action is necessary.

Appeal Process:

The appeal process is used to contest disputed findings.

Within 10 days of the board's adoption of the resolution approving an appeal of the findings of the audit or investigation, a written request by the LEA/Agency to review the disputed finding(s), recommendation(s), or questioned costs must be submitted to the OFAC Director. The Request for Appeal must indicate the finding(s) in question.

The Request for Appeal must be in writing and the LEA/Agency must present any supporting documentation for the appeal. Subsequent to the submission of the Request for Appeal, the OFAC Director will issue a written decision.

If the final determination made by the Director, is still unsatisfactory to the LEA/Agency, the LEA/Agency may file a Petition of Appeal pursuant to N.J.A.C. 6A:3-1.3.

New Jersey Department of Education
Office of Fiscal Accountability and Compliance
Corrective Action Plan

School District Name: Beverly City School County: Burlington
 Type of Examination: Consolidated Monitoring Report - May 2015
 Date of Board Meeting: June 24, 2015
 Contact Person: Elizabeth Giacobbe
 Telephone Number: 609-387-2200 Fax Number: 609-387-4447

Recommendation Number	Corrective Action	Method of Implementation	Individual Responsible for Implementation	Completion Date of Implementation
Finding #1	Amended SIP to reflect needed specificity for teacher's salary. No further action required.	N/A	Elizabeth Giacobbe/Kerri Lawler	Feb-15
Finding #2	Title I written parental involvement policy will be distributed to <i>every</i> child through the summer mailing.	The policy will be included in the summer mailing that is sent to every child in the district. This will be our annual process to ensure dissemination.	Elizabeth Giacobbe/Kerri Lawler	Aug-15
Finding #3	Provide documented evidence of convening the annual Title I parent/guardian meeting, which will include sign-in sheets, agendas, and minutes of the meeting.	The meeting will be held at Back to School night in the individual homerooms.	Elizabeth Giacobbe/Kerri Lawler	Sep-15
Finding #4	Annually a purchase order will be setup to encumber the TPAF/FICA liability in the Summer/Fall to insure payment in June.	Through the purchasing process the monies will be set aside for payment at the end of the school year to the State of New Jersey. The outstanding balance will be processed at the June meeting as well as the current year's liability.	George Gables/Brian F. Savage	June/July 2015

Finding #5	The accounts were reviewed and adjusted accordingly	All accounts were reviewed and expenditure were adjusted as needed. The accounts that are charged any expenditures will be reviewed to insure that the proper accounts are being charged.	George Gables/Brian F. Savage	February 2015 and ongoing.
Finding #6	Ensure when determining educational placement of a child with a disability, the IEP team considers the general education class first and that all required decisions regarding the placement are documented in the IEP; as well as, transition plans when a child is moved to a less restrictive environment.	A workshop will be provided to the case managers on best practices in completing all required components.	Meryl Gill	Jul-15
Finding #7	The district must ensure that IEP meetings for out-of-district students are conducted with required participants and that documentation of attendance and/or written parents' consent to excuse a member of the team is maintained in student files.	A workshop will be provided to the case managers on code as it relates to required participants in attendance during an IEP meeting for out-of-district students.	Meryl Gill	Jul-15

Finding #8	<p>The district must ensure that when the I & RS team identifies interventions to meet the needs of a struggling learner that the team identifies and maintains documentation of the nature, description, frequency and duration of the interventions and measures the effectiveness.</p>	<p>A training occurred on May 31, 2015 to ensure that I & RS team members understood the scope of the state recommendation. The superintendent will review action plans to ensure committee is monitoring interventions as an oversight.</p>	Elizabeth Giacobbe/Kerri Lawler	May 2015 and on-going
Finding #9	<p>The district must ensure that all required participants attend identification meetings and that documentation of attendance is maintained in student's file.</p>	<p>A workshop will be provided to the case managers on code as it relates to required participants in attendance during identification meetings.</p>	Meryl Gill	Jul-15
Finding #10	<p>No action necessary Formal Board approvals will be approved for submittal and award of the grants</p>	<p>No action necessary</p>	n/a Giacobbe/Kerri Lawler/Meryl Gill/George Gables/Brian F. Savage	February 2015 Annually
Finding #11	<p>The District will implement a process to ensure that purchase orders are issued before services are rendered and items are received.</p>	<p>The District's purchasing process throughout the year.</p>	Elizabeth Giacobbe/Kerri Lawler/Meryl Gill/George Gables/Brian F. Savage	Annually
Finding #12				

P. Schell
Chief School Administrator

Date 6/30/15

P. F. S.
Board Secretary/Business Adminis

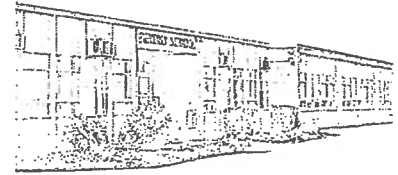
Date 6/30/2015

BEVERLY CITY SCHOOL

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DR. BRIAN F. SAVAGE
Staff Accountant/Board Secretary

June 25, 2015

State of New Jersey
New Jersey State Department of Education
Attn.: Robert Cicchino, Director
Office of Fiscal Accountability and Compliance
P.O. Box 500
Trenton, New Jersey 08625-0500

RE: Certified Board Motion – Consolidated Monitoring Findings

The following is an excerpt from the June 24, 2015 Board of Education meeting to approve the following:

A motion was made by Stacey Atkinson and seconded by Mary Ellen Knudson to approve the following:

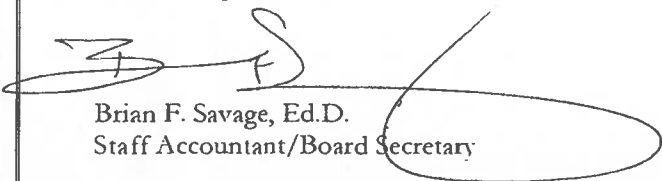
BE IT RESOLVED, for the Board of Education to publically review and discuss the findings of the consolidated monitoring. Additionally, approve the corrective action plan and the submittal to the State of New Jersey.

The findings and corrective action plan were reviewed and discussed in detail.

Roll Call

Stacey Atkinson	Affirmative	Jean Wetherill	Affirmative
Mary Ellen Knudson	Affirmative	Mary Wolbert	Affirmative
Ronald Murphy	Absent	Richard Wolbert	Affirmative
Dale Thompson	Affirmative		

Certified copy of excerpt from
Minutes of June 24, 2015



Brian F. Savage, Ed.D.
Staff Accountant/Board Secretary