



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
Governor

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Lt. Governor

DAVID C. HESPE  
Commissioner

March 30, 2015

Dr. Lamont Repollet, Superintendent  
Asbury Park School District  
603 Mattison Avenue, 3<sup>rd</sup> Floor  
Asbury Park, NJ 07712

Dear Dr. Repollet:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Asbury Park Board of Education**. The funding sources reviewed include titled programs for the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act (IDEA). The review covered the period July 1, 2012 through May 23, 2014. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued Consolidated Monitoring Reports will be posted on the department's website at <http://www.state.nj.us/education/finance/jobs/monitor/consolidated>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Asbury Park 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 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 Lori Ramella at (609) 984-0937.

Sincerely,

Robert J. Cicchino, Director  
Office of Fiscal Accountability and Compliance

RJC/LR/dk:Asbury Park BOE Cover Letter /consolidated monitoring  
Enclosures

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**ASBURY PARK SCHOOL DISTRICT  
603 MATTISON AVENUE, 3<sup>RD</sup> FLOOR  
ASBURY PARK, NJ 07712  
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*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
MARCH 2015**

**District:** Asbury Park School District  
**County:** Monmouth  
**Dates On-Site:** May 21, 22 and 23, 2014  
**Case #:** CM-035-13

**FUNDING SOURCES**

Program	Funding Award
Title I, Part A	\$ 2,251,383
Title I SIA, Part A	115,385
Title II, Part A	449,108
Title III	75,054
Title III Immigrant	16,155
IDEA Basic	892,377
IDEA Preschool	21,047
Race To The Top	182,157
Carl D. Perkins	37,177
Total Funds	<u>\$ 4,039,843</u>

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**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 Asbury Park 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); Title III; Title III Immigrant; IDEA Basic and Preschool; Race to the Top; and Carl D. Perkins (Perkins) for the period July 1, 2012 through May 23, 2014.

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, Title III, Title III Immigrant, IDEA Basic and Preschool, Race to the Top, and Perkins for the period July 1, 2012 through May 23, 2014. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

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**GENERAL DISTRICT OVERVIEW OF USE OF TITLE I, TITLE II, TITLE III, TITLE III IMMIGRANT, IDEA, CARL D. PERKINS AND RACE TO THE TOP FUNDS**

**Title I**

The district operates schoolwide programs in its four Title I funded schools: Asbury Park Middle School, Thurgood Marshall Elementary School, Bradley Elementary School, and Asbury Park High School. The district identified Closing the Achievement Gap, English Language Proficiency, Using Data/Assess to Improve Learning, Gang Activity, Drop-out Rate, and Parent/Community Involvement - for all students and parents (Parent and Community Involvement) as priority problems.

**Title II**

The district spent Title II funds on professional development activities.

**Title III**

The district spent Title III funds on for interpreting services, supplies, and consultants.

**Title III Immigrant**

The district spent Title III Immigrant funds for after school programs.

**IDEA (Special Education)**

The district used FY 2013-2014 IDEA funds to reduce district tuition expenditures for students receiving special educational services in other public school districts and approved private schools for students with disabilities. IDEA funds were also spent on salaries of special education staff and instructional supplies and services required by the IEPs of students with disabilities. The remainder of the IDEA funds were allocated to support students who attend nonpublic schools located within the district.

**Race to the Top**

The district used Race to the Top funds for professional development around the Common Core State Standards.

**Carl D. Perkins**

The district has two approved Career and Technical Education (CTE) programs and no program of study. The district's approved CTE programs are as follows: Administrative Assistant and Secretarial Science, General (CIP code 520401) and Accounting Technology/Technician & Bookkeeping (CIP Code 520302). During FY 2012-2013 and FY 2013-2014, the district primarily used Perkins grant funds to support the district's fashion design program, an

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unapproved CTE program. Funding not spent on this unapproved program was used to support the accounting program in the form of classroom supplies.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** The district's use of Title I funds for the following expenditures was unallowable:

- Terry Caliste (PO #14H12028A);
- Mackin Educational (PO #14H02216);
- Management & Evaluation (PO #14H02084);
- Jersey Printing (PO #14H2415);
- Nesity Learning, LLC (PO #14H02277);
- Medieval Times (PO #14H03098);
- Rainforest Café (PO #14H02626);
- Asbury Park High School Improvement Plan–Assessment Authoring System (\$16,500); Building Training on Assessment Authoring System (\$1,000); Instructional Staff for Academic Support Instruction Program (\$200,000); and Instructors (English, Mathematics, Science, Social Studies, and World Language) for Extended Day Credit Recovery(\$50,000); and
- Asbury Park Middle School Improvement Plan–Budget Summary: Support Services 200-100 (\$70,500); 200-300 (\$150,000); Data Coordinator (\$27,500); and Research Based Intervention to Assess Student Data (\$30,000).

For Title I schoolwide programs, services and expenditures must be reflected in the Schoolwide Plan(s)/School Improvement Plan (SIPs) to be considered allowable. To meet the intent and purpose of the Title I legislation, expenditures must be used for programs/services that are “necessary and reasonable” to address issues identified in the school’s comprehensive needs assessment.

**Citation:** ESEA §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*.

**Required Action:** The district must allocate state/local funds rather than using Title I funds to support these expenditures. The district must provide evidence of the adjusting accounting entries for the expenditures to the NJDOE for review.

**Finding 2:** Bradley and Thurgood Marshall Elementary Schools did not complete schoolwide plans for the 2013-2014 school year. Schools running Title I schoolwide programs must annually complete a comprehensive plan (schoolwide plan) that addresses the required legislative components. To this end, the use of Title I funds for activities not included in the schoolwide plan are not allowable, and are therefore subject to recovery.

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**Citation:** ESEA §1114 (2): *Schoolwide Programs (The Plan)*; OMB Circular A-87.

**Required Action:** FY For 2014-2015, the district must ensure that all schoolwide plans are uploaded into the Electronic Web Enabled Grant System (EWEG) and completed in accordance with the legislative requirements. Upon submission, the NJDOE will review all schoolwide plans to ensure they meet the legislative requirements. If the submitted plans do not meet the legislative requirements, the NJDOE will rescind the school's authority to operate a schoolwide program.

**Finding 3:** The district could not provide evidence as to when its Title I schools distributed the written parental involvement policy. Per the legislative requirement, parents/guardians have a right to be involved in the development of the written parental involvement policy, as well as be informed of ways they can further engage themselves in the academic performance and achievement of their children.

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

**Required Action:** For FY 2014-2015, the district must ensure that its Title I schools distribute the written parental involvement policy to all parents/guardians. The district must submit evidence of distribution to the NJDOE for review.

**Finding 4:** The district could not provide evidence that its Title I schools convened an annual Title I parent meeting. In a Title I schoolwide program, all parents/guardians are entitled to be informed about the school's Title I program, legislative requirements, and how they can be actively engaged in helping their child/children succeed academically.

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

**Required Action:** The district must ensure that its Title I schools convene an annual Title I parent meeting for the 2014-2015 school year. The district must submit documentation of the meetings (e.g., invitational letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

**Finding 5:** The district could not provide documentation of its nonpublic consultation process. Per the legislative requirement, the district must meet with nonpublic school officials to ensure that eligible students from its attendance areas receive appropriate Title I services. As part of the consultation process, the district must discuss the following: collection of poverty data; student identification criteria; and services for eligible students, parents, and teachers.

**Citation:** ESEA §1120(b): *Participation of Children Enrolled in Private Schools*.

**Required Action:** For FY 2014-2015, the district must formalize its nonpublic consultation process. The district must retain signed/certified receipts of correspondence to nonpublic schools, copies of signed Affirmation of Consultation

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forms, and refusal forms. The district must submit copies of meeting agenda, minutes, and sign in sheets to the NJDOE for review.

**Finding 6:** The district must ensure that services provided to the nonpublic schools do not benefit the entire school; rather, Title I eligible students from the district.

**Citation:** 34 CFR 200.66: *Requirements to ensure that funds do not benefit a private school*; ESEA §1120(b)(1)(A-H): *Participation of Children Enrolled in Private Schools*.

**Required Action:** For FY 2014-2015, the district must provide the following: 1) how the needs of the Title I eligible children were identified; 2) what services will be provided to eligible Title I students from the district; 3) how, where, and by whom the services provided; and 4) how the services will be assessed and used to enhance/modify services provided in the future. The district must submit verification of the above to the NJDOE for review.

**Finding 7:** The district is not tracking Title I funds spent for administrative purposes separately in its accounting system to make certain the amounts expended do not exceed five percent of the total FY 2013-2014 allocation.

**Citation:** 34 CFR 80.20: *Standards for financial management systems*; The Elementary and Secondary Education Act, (reauthorized as the No Child Left Behind Act of 2001), New Jersey Consolidated Formula Subgrant Reference Manual, Section IV: *Fiscal Regulations and Responsibilities, Administrative Costs*.

**Required Action:** The district must track Title I administrative costs to ensure agreement with the corresponding allocation in the FY 2013-2014 NCLB Consolidated Application. Copies of documentation evidencing this tracking for FY 2013-2014 must be submitted to the NJDOE for review.

## **Title II**

**Finding 8:** A current district-level professional development plan was not available for reference/alignment to indicator “P1: Professional development activities are consistent with the district professional development plan.” Documentation and interviews showed that planning was initiated, but not completed.

**Citation:** ESEA §2122(b)(9)(A-D): *Local Applications and Needs assessment*; ESEA §2122(c): *Needs assessment*; N.J.A.C. 6A:9-15.6: *Standards for professional learning – requirements for district-level professional development planning and implementation*.

**Required Action:** The district must create a Professional Development Plan for FY 2014-15 and supply documentation to NJDOE that it was created.



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**Finding 9:** A review of schedules identified a teacher who was not appropriately licensed for his/her current assignment. Specifically, a teacher holding a Business: Accounting certificate was assigned in FY 2012-2013 to a position teaching Fashion Design. The teacher was not licensed for the assignment.

**Citation:** N.J.A.C. 6A:9-9: *Professional Licensure and Standards - Endorsements and Authorizations.*

**Required Action:** The district must review all teacher placements to ensure that they each hold appropriate credentials for their current assignment.

**Recommendation:** Based on the information provided by the district during the monitoring, it appears that Perkins grant funds were inappropriately used to compensate a consultant who provided “instructional support” to the inappropriately licensed teacher to deliver instruction in Fashion Design during FY 2012-2013. This matter has been referred to OFAC for further review.

**Finding 10:** A review of the teaching schedules, licenses and High Objective Uniform Standard of Evaluation (HOUSE) Matrix documents identified teachers on staff who were not highly qualified for their assigned position.

**Example 1:** A holder of the Secondary School Teacher of Science is licensed to teach Comprehensive Science but not highly qualified to teach Physics or Chemistry, as assigned.

**Example 2:** A holder of the Teacher of the Handicapped and Teacher of Elementary Education K-6 certificates is assigned to teach English and Social Studies in grades 7-12 to a special education population. The HOUSE Matrix forms on file for this teacher are not signed by the School Administration, rendering them invalid. The teacher is not highly qualified to teach Social Studies. The teacher would have had adequate points to be considered highly qualified in Language Arts if the paperwork had been properly endorsed.

**Citation:** ESEA Part A: *Improving basic programs operated by local educational agencies*; ESEA §1119(a)(1): *Qualifications for teachers and paraprofessionals*; ESEA §1111(h)(6)(B)(ii): *Right to know letter.*

**Required Action:** The district must ensure that students receiving direct instruction are taught by a highly qualified teacher (HQT) in core subjects. Additionally, the district must notify parents of students attending Title I funded schools if the teacher does not meet state or federal qualifications/requirements.

**Recommendation:** Where HQT status has been incorrectly granted based on miscalculations or errors on the HOUSE Matrix forms, it is recommended that the documentation be identified as “invalid for assignment” and that teachers assigned to grades 6-8 departmentalized instructional settings comply with current HQT guidelines.

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**Title III**

**Finding 11:** The use of Title III funds for translations of the following documents supplanted state/local funds:

- District newsletter, 100 copies in Creole and 500 copies in Spanish (\$3,595.00 – PO # 14H03093 dated 3/13/14);
- District calendars (\$1,095.00 – PO #14H02010 dated 9/23/13);
- Back-to-School night, APHS and APMS (\$75.00; \$75.00);
- BOE meeting (\$30.00);
- Children’s Center Conference (\$37.50);
- CST telephone calls, kindergarten orientation (\$270.00);
- CST meeting, APHS graduation (\$105.00);
- CST meetings (\$45.00; \$180.00; \$140.00);
- CST telephone calls (\$100.00; \$160.00);
- EC article, Fall Tribune (\$75.00);
- Graduation, APMS (\$30.00);
- IEP meetings, parent telephone calls, translations (\$405.00, \$90.00);
- Newsletter, registration packet (\$405.00; \$165.00);
- Newsletter (\$120.00);
- Parent telephone calls (\$150.00);
- Registration packets (\$165.00; \$240.00; \$360.00);
- Report cards, CST telephone calls (\$410.00);
- Report card (\$225.00);
- Spanish interpreter, Thurgood (\$982.50; \$795.00; \$742.50; \$465.00; \$367.50);
- Spanish interpreter (\$405.00);
- Summer reading assignment and choices, Creole translator (\$200.00);
- Uniform policy (\$45.00); and
- Various non-Title III related (\$322.50).

**Citation:** ESEA 3115(g): *Supplement, Not Supplant.*

**Required Action:** The district must reverse all charges to the Title III grant for these unallowable expenditures and submit adjusting entries showing removal to the NJDOE for review.

**Title III Immigrant**

A review of the expenditures charged to the Title III Immigrant grant yielded no findings.

**IDEA (Special Education)**

**Finding 12:** The district did not consistently document in the IEPs of students placed in separate settings consideration of placement in the least restrictive environment. Specifically, IEPs did

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not consistently include activities to transition a student placed in an out-of-district setting to a less restrictive environment.

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

**Required Action:** The district must 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 May 2015 and July 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 13:** 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); 34 CFR §300.321(a).

**Required Action:** The district must ensure that IEP team meetings for students placed in separate settings 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 May 2015 and July 2015, and to review the oversight procedures.

**Race to the Top**

**Finding 14:** English Language Arts (ELA) and Mathematics curriculums were not completed by June 2014, as required by the grant.

**Citation:** *American Recovery and Reinvestment Act of 2009 (ARRA)*, Section 14005-6, Title XIV, (Public Law 111-5).

**Required Action:** K-12 ELA and Mathematics Curriculums must be updated by the end of the grant period.

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**Finding 15:** The ability to provide common metrics for district benchmarking was not available.

**Citation:** *American Recovery and Reinvestment Act of 2009 (ARRA)*, Section 14005-6, Title XIV, (Public Law 111-5).

**Required action:** The district must provide a plan for implementation in order to collect data consistently and accurately for all testing done at the district level.

**Finding 16:** The transition plan for Race to the Top three initiatives was not present.

**Citation:** *American Recovery and Reinvestment Act of 2009 (ARRA)*, Section 14005-6, Title XIV, (Public Law 111-5).

**Required action:** The district must prepare an amendment to update the objectives and budget to reflect changes during the leadership transitions.

**Carl D. Perkins**

**Finding 17:** The district is not offering a coherent sequence of courses for any of its CTE programs that are being supported with Perkins funds. It appears that the district is offering a variety of electives without regard to sequencing for program completion.

**Citation:** N.J.A.C. 6A:19-3.1.6(i): Program requirements.

**Required Action:** The district must ensure that a coherent sequence of courses is offered for approved CTE programs supported with Perkins funding. The course sequence should consist of those courses identified in the approved program reapproval application. Programs and course sequence information should be available for students, teachers, guidance counselors, administrators and parents.

**Finding 18:** The district has not established an advisory board for the following program as required for all approved CTE programs: Accounting Technology/Technician & Bookkeeping.

**Citation:** P. L. 109-270 §134(b)5: *Local plan for career and technical education programs*; N.J.A.C. 6A:19-2.1: Administration of career and technical education programs and programs of study.

**Required Action:** The district must establish an advisory board for each approved CTE program. The advisory board must have member representation as indicated in the New Jersey Administrative Code and the program approved applications. Each advisory board must meet at least twice per project period. Once the advisory boards have been established the district must submit a copy of the advisory board minutes to the Perkins program officer. Programs without evidence of functioning advisory boards will not be considered approved programs and will not be eligible for FY 2014-2015 Perkins

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funding.

**Finding 19:** The district has not implemented the use of a NJDOE recognized CTE End-of-Program Assessment as required for the following CTE Program: Accounting Technology/Technician & Bookkeeping.

**Citation:** P. L. 109-270 § 113(b)(4)(a): *Accountability*.

**Required Action:** The district must administer a valid NJDOE recognized end-of-program assessment for each CTE program/program of study.

**Finding 20:** The district improperly charged expenditures incurred to support the district's fashion program of study, an unapproved CTE program, totaling \$15,481.42 and \$31,006.59 to the FY 2012-2013 and FY 2013-2014 Perkins grant, respectively. The use of Perkins funds for an unapproved program is not allowable.

**Citation:** 2 CFR 225, Attachment A § C: *Factors affecting allowability of costs*; Perkins Guidelines § D: *Non-allowable costs*.

**Required Action:** The district must remit all charges associated with the district's fashion design program of study during FY 2012-2013 and FY 2013-2014 to the NJDOE. Additionally, the district must implement procedures to ensure that only expenditures related to programs approved by the NJDOE are charged to the Perkins grant.

**Finding 21:** The district spent FY 2012-2013 Perkins funds totaling \$1,821.88 (PO #13G03406) to pay for online simulation access and accounting workbooks for 25 students and one instructor for use in its accounting program. However, there were no reported students enrolled in the NJDOE approved CTE program during the project period. The support of CTE programs without any indication of corresponding data on the student data report is not permissible.

**Citation:** P. L. 109-270 § 2: *Purpose*; Perkins Guidelines § D: *Non-allowable costs*.

**Required Action:** The district must remit \$1,821.88 to the NJDOE for this unallowable expenditure.

**Finding 22:** The district's use of FY 2013-2014 Perkins funds totaling \$1,795.04 for its annual fashion show constituted supplanting, as state/local funds were spent to cover similar costs in the previous year. Perkins funds must supplement, not supplant non-federal funding sources.

**Citation:** P. L. 109-270 § 311(a): *Supplement not supplant*.

**Required Action:** For the reasons specified herein and in the preceding finding, the district must submit all disallowed amounts not previously remitted under a separate finding to the NJDOE. Going forward, the district must implement procedures to ensure that Perkins funds are used to supplement not supplant state/local funds.

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**Finding 23:** During FY 2013-3014, the district issued purchase order #14H03132 to buy, among other things, miscellaneous consumable office supplies (e.g., folders, white-out, tape dispenser) without any indication of academic purpose. None of the items purchased appear to advance the intent and purpose of the district's approved CTE programs. It is unclear how the use of Perkins funds for these items strengthens the academic, career and technical skills of the two students participating in the district's approved CTE programs as required or even helps the district to meet the educational needs of its students in general.

**Citation:** P. L. 109-270 § 135(b)(1): *Requirements for uses of funds*; 2 CFR 225, Attachment A §C.1.: *Factors affecting allowability of costs*.

**Required Action:** The district must remit these charges and similar unallowable expenditures to NJDOE. The district must improve procedures for the payment of expenditures related to the Perkins grant in accordance with the grants statutory requirements.

**Finding 24:** The district spent FY 2013-2014 Perkins funds to acquire three TI-15 Explorer calculator kits via purchase order #14H03132. Each kit consisted of 30 calculators, which were described by the vendor as "Ideal for grades K – 6." The district failed to provide adequate documentation to establish that these costs were necessary, reasonable or allocable to the Perkins grant or to establish a reasonable connection to one or more approved CTE programs.

**Citation:** P. L. 109-270 § 135(a): *Local uses of funds*; 2 CFR 225, Attachment A § C.1.: *Factors affecting allowability of costs*; Perkins Guidelines §D: *Non-allowable costs*.

**Required Action:** The district must remit these charges and similar unallowable expenditures to NJDOE. Additionally, the district must review all charges to the FY 2013-2014 Perkins grant to ensure that all charges are necessary, reasonable or allocable to the Perkins grant as required.

**Finding 25:** The district failed to provide invoices and/or adequate documentation to: 1) support multiple expenditures charged to the FY 2012-2013 and FY 2013-2014 Perkins grants and 2) permit verification of the claims as required under state statutes for PO #13G02945; PO #13G03114; and PO #13G03273. As a result, it could not be determined if the costs were reasonable, necessary or allocable to the federal award. All costs must be adequately documented to be considered allowable in accordance with federal cost principles.

**Citation:** 2 CFR 225 Attachment A § C.1.: *Factors affecting allowability of costs*; 34 CFR 80.20: *Standards for financial management systems*; N.J.S.A. 18A:19-2: *Requirements for payment of claims; audit of claims in general*.

**Required Action:** The district must (1) provide to NJDOE adequate documentation supporting these charges, or (2) remit all unsupported charges not previously remitted under a separate finding to the NJDOE. Going forward, all payments to vendors charged

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to the Perkins grant must be supported by a vendor prepared invoice, which is to be maintained as part of the district's accounting records.

**Finding 26:** During FY2012-2013, the district hired Maybelline Hicks from Regal Lady LLC to provide "curriculum support" using Perkins funds without adhering to New Jersey Public School Contracts Law (PSCL) and federal regulations. Five payments totaling \$11,101.44 were disbursed to Ms. Hicks for services rendered from February 11, 2013 through May 31, 2013 and the reimbursement of expenses.

Documentation was not provided evidencing the execution of a contract between the district and the provider or the method of procurement used. Accordingly, the exact nature of the services to be provided, as well as the rate and projected cost for these services were undeterminable. Sound business practice and PSCL require that contracts be issued in a deliberative and efficient manner such as through requests for proposals or other comparable means and that all contracts for the provision or performance of goods or services are in writing.

**Citation:** N.J.S.A. 18A:18A-4: *Contracts and agreements requiring advertising*; N.J.S.A. 18A:18A-37: *Award of purchases, contracts or agreements*; 34 CFR Part 80.36: *Procurement*.

**Required Action:** The district must submit all disallowed amounts not previously remitted under a separate finding to the NJDOE. Going forward, the district must comply with current federal and state procurement regulations and obtain multiple quotes as required.

**Finding 27:** The district failed to expend any of its FY 2012-2013 Perkins funds in accordance with the NJDOE approved budget in EWEG.

**Citation:** 34 CFR § 76.700: *Compliance with statutes, regulations, State plan, and applications*; P. L. 109-270 § 135: *Local uses of funds*.

**Required Action:** The district must monitor and track expenditures to ensure that they are made in accordance with the approved budget. Amendments, if necessary, should be submitted timely and in compliance with applicable regulations.

**Finding 28:** The district routinely recorded Perkins expenditures under incorrect general ledger accounts. For example, the district posted disbursements for room and equipment rentals, as well as purchased professional and technical services, to the instructional supplies account.

**Citation:** N.J.A.C. 6A:23A-16.2: *Principles and directives for accounting and reporting*.

**Required Action:** The district must implement procedures to ensure that expenditures are charged to the appropriate general ledger accounts.

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**Finding 29:** In addition to the preceding findings, the district failed to comply with applicable regulations and program specific requirements for the Perkins grant, as follows:

- FY 2012-2013 Perkins funds were used to buy an instructional supply which had a unit cost greater than \$750.00. The supply was not itemized in the original approved application or in the amended version.
- Unitemized supplies and materials were acquired at a cumulative cost which exceeded 10 percent of the FY 2012-2013 total grant award.
- Budget transfers of greater than 10 percent for FY 2012-2013 and FY 2013-2014 and costs attributable to an unapproved expenditures category for FY 2013-2014 were recorded without submission of the requisite amendment applications.
- Purchase orders issued during FY 2013-2014 did not contain approved CIP codes.

Sub-grantees are required to comply with the state plan and applicable statutes, regulations, and approved applications, and to use federal funds in accordance with those statutes, regulations, plan and applications.

**Citation:** 34 CFR § 76.700: *Compliance with statutes, regulations, State plan, and applications*; and Perkins Guidelines § D: *One-year grant application*; Perkins Guidelines § E: *Amendments, reports and other actions*.

**Required Action:** The district must implement procedures to ensure personnel assigned to administer the Perkins grant comply with the program specific requirements applicable to each project period.

**Administrative**

**Finding 30:** On numerous occasions, the district failed to issue a purchase order prior to services being rendered (confirming orders). District policy and state regulations require that a properly executed purchase order be issued prior to services being rendered.

**Citation:** 34 CFR § 80.20: Standards for financial management systems; N.J.S.A. 18A:18A 2(v): Public School Contracts Law.

**Required Action:** Purchase orders should be issued to all vendors prior to goods or services being provided.

**Finding 31:** The district does not fully comply with the timekeeping standards for federally funded grants, as required by federal law in that some of the time sheets for federally funded staff were not completed and did not contain the employee and supervisor signatures. The documentation must reflect what the staff is doing, when and where they are working and it must support their funded percentage. Employees whose salaries are funded 100 percent by the federal



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program must complete a semi-annual certification attesting to their performance of Title I related duties. Staff members whose salaries are partially funded by Title I must prepare monthly personal activity reports.

**Citation:** 2 CFR 225, Attachment B, § 8(h): *Compensation for personal services (Support for salaries and wages).*

**Required Action:** The district should update its internal controls to ensure that the activities of federally funded staff are verified, reported properly and timely, and that the required documentation is maintained.

**Finding 32:** The board minutes did not contain all the required information for federally funded staff. For example, the minutes were missing the funded employee's annual salary, the amount to be funded, and the account number to be charged.

**Citation:** 2 CFR 225, Attachment B, § 8(h): *Compensation for personal services (Support for salaries and wages).*

**Required Action:** The district should update its internal controls to ensure that the board minutes contain the required information.

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 Lori Ramella via phone at (609) 984-0937 or via email at [lori.ramella@doe.state.nj.us](mailto:lori.ramella@doe.state.nj.us).