



State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

DAVID C. HESPE
Commissioner

July 28, 2015

TO: Chief School Administrators
School Business Administrators/Board Secretaries

FROM: David D. Joye, Division Director
Office of Administration and Budget

SUBJECT: Reimbursement of TPAF and Social Security – School Year 2014-15

N.J.S.A. 18A:66-90 provides that each local board of education shall 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 applies to the contractual salaries of TPAF member employees paid from federally financed programs.

Please note the attached *Reimbursement to State of New Jersey – N.J.S.A. 18A:66-90* form has been modified for 2014-15 to reflect:

- The federal grant period is July 1, 2014 – June 30, 2015;
- The federal grants liquidation period has been extended from 45 days to 60 days after year-end (i.e. August 31, 2015) effective June 30, 2015;
- Payments to the State no longer require the Licensed Public School Accountant's signature. In lieu of affixing his or her signature to the form, the Licensed Public School Accountant will be required to review the form and issue a comment on the payment in the Auditor's Management Report (AMR);
- Adjustments after payment may be made by filling out a revised *Reimbursement to State of New Jersey – N.J.S.A. 18A:66-90* form.

Local boards of education/boards of trustees are reminded that the actual date of remittance of the TPAF/FICA reimbursement has implications for completion of Office of Grants Management Reporting, the Schedule of Expenditures of Federal Awards, the Comprehensive Annual Financial Report (CAFR) and the Auditor's Management Report (AMR). Entitlement Grant Application – General Federal Grant Guidance issued by the Office of Grants Management (OGM) – is available on the OGM website at: <http://www.state.nj.us/education/grants/entitlement/EntitlementGrantApplicationGeneralGuidance.pdf>, and clarifies that the NJDOE is responsible for fiscal and program oversight of the federal grant programs. As such, please note that the entitlement grant period is July 1 through June 30, and all entitlement grants must be obligated within that grant period, pursuant to federal requirements. In addition, beginning with fiscal year ended June 30, 2015, grantees must liquidate all entitlement grant funds by August 31, to allow the NJDOE to meet its federal obligations for closeout.

In accordance with OGM requirements, the following accounting and reporting requirements for entitlement grants must be followed:

- TPAF/FICA reimbursements due to the State that are liquidated within 60 days of June 30, 2015 (on or prior to 8/31/2015), may be reported in the June 30, 2015 final report as an expenditure on the accrual basis of accounting. This accounting and reporting reduces the grant award's unobligated balance.
- If liquidated after 60 days of June 30, 2015 (e.g. after 8/31/2015) the TPAF/FICA reimbursement due to the State must not be reported as an expenditure against the grant (e.g. may not be included in the 6/30/15 final report as expended).

For TPAF/FICA reimbursement(s) due to the State from federal grants that are other than entitlement grants, please contact your grant administrator for liquidation period and related grant guidance.

The attached *Reimbursement to State of New Jersey – N.J.S.A. 18A:66-90* form, shows a pension rate of **13.95%**, which is higher than the estimated rate that was stated in memo of March 31, 2015, and the social security rates. If an employee has not paid contributions to the TPAF during the year, no reimbursement is due. You must report pro-rated federal salaries for split or partially funded employees. Negative reports are required. To complete the reimbursement report form, you will need to multiply the totals in column 4 by the percentages in column 5 and extend to column 6. Please retain all computations of amounts reported for audit review by your public school accountant. *The Reimbursement to State of New Jersey – N.J.S.A. 18A:66-90* form is also posted on the Department's website at www.nj.gov/education/finance/.

Please send your check, made payable to: Treasurer, State of New Jersey, for the total amount due on line C, along with the original copy of the report **no later than October 1, 2015** to:

New Jersey Department of Education
Office of State Budget & Accounting
P.O. Box 500
Trenton, NJ 08625-0500
ATTN: Bob Marut

If a signed voucher is required for your records, please attach a district voucher, to be returned upon completion of the review. Thank you in advance for your continued assistance and cooperation. Should you have any questions or need assistance, please contact Bob Marut of my staff, directly at (609) 984-6306.

DDJ/RM/mm/TPAF memo 2014-15 7 21 15 (2).docx

Attachment

c: Members, State Board of Education
David C. Hespe, Commissioner
Senior Staff
Peggy McDonald
Anne Corwell
Karen Campbell
Marie Barry
Cristin N. Henry
Pat Gray
John Ingersoll
Bob Marut
Executive County Superintendents
Executive Directors for Regional Achievement Centers
Executive County Business Officials
Garden State Coalition of Schools
NJ LEE Group