

# The Audit Program

## Section III-Reporting

**Chapter 6 – Administrative Questionnaire, Audit Checklists & Independent Auditor Questionnaire**  
(Chapter 6 is applicable to school districts, charter schools, and renaissance school projects with certain exceptions detailed within the text of the chapter)

### Administrative Questionnaire 2017-18

#### To be completed by board secretary/business administrator

The Administrative Questionnaire is completed annually by the board secretary/business administrator of the school district/charter school/renaissance school project for use by the auditor when reviewing compliance with account coding of administrative expenditures. The auditor will review this questionnaire in conjunction with the test of transactions and include a finding and recommendation(s) for a questionnaire substantially incomplete or inaccurate. In addition, school districts/charter schools/renaissance school projects are required to have ready for audit a listing of all staff positions that require a school administrative, principal or school business administrator certificate which is detailed on item number 21 in Section III-6. The questionnaire should be kept with the auditor’s workpapers and available to the department upon request and is not to be uploaded to the CAFR Repository.

There are three checklists (Current Operating Funds, Student Activity Fund, and Food Service Fund) of actions to be performed or documents to have available in advance of the audit. They are provided following the Questionnaire to assist board secretaries/business administrators in preparing for the year-end audit. These checklists may be modified by the audit firm to incorporate additional documents as needed.

- 1. a. Were all salaries of administrative staff requiring a school administrative, principal or school business administrative certificate recorded in administrative functions 230, 240, and 25X?  
Yes \_\_\_\_\_ No \_\_\_\_\_
- b. If no to 1a, is the coding consistent with prior years?  
Yes \_\_\_\_\_ No \_\_\_\_\_
- c. If no to 1a, please list the position, the account coding and the rationale for account classification other than administration (attach additional sheet if necessary):

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#### For Charter Schools and Renaissance School Projects Only -

- d. Were all administrative expenditures recorded and reported on the Board Secretary Report, on the Budgetary Comparison Schedules reported in the CAFR, and reported in Audsum in sufficient detail to comply with the New Jersey Chart of Accounts?  
Yes \_\_\_\_\_ No \_\_\_\_\_
- 2. Is there a decline in administrative expenditures relative to total general fund expenditures from the previous year?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, is the decline the result of reclassification or allocation of salaries? Yes \_\_\_\_\_ No \_\_\_\_\_

Please provide an explanation for any fluctuation (attach additional sheet if necessary):

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3. Were there any salaries recorded in functions 230, 240, and 25X in the prior year and not in the current year?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please list the position, the account coding and the rationale for the change (attach additional sheet if necessary):

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4. Were there any non-certificated administrative staff allocated to a support function (exclude clerical positions)?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please list the position, account classification, and allocation method used (attach additional sheet if necessary):

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5. Were any supervisor positions, with the exception of “supervisors of instruction,” requiring a principal or supervisory certification allocated to a support function?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please list the position, account classification, and allocation method used (attach additional sheet if necessary):

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6. Did any of the administrative functions (functions 230, 240, and 25X) have salary expenditures for administrators and no related clerical support salaries? For example, salaries are recorded in function 240-103, salaries of principals/vice principal but nothing was reported in function 240-105, salaries of secretarial and clerical assistants.  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please list the function(s) and rationale (attach additional sheet if necessary):

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7. Were there any other line-item transfers or additional appropriations of surplus or unbudgeted revenue to an administrative function?  
Yes \_\_\_\_\_ No \_\_\_\_\_

**Administrative Question No. 8 Is Not Applicable to Charter Schools/Renaissance School Projects:**

8. Did the school district (regular and county vocational) receive a “Warning” edit (#308) produced with the 2017-18 final budget certified for taxes stating that the 2016-17 budgeted per pupil legal costs, revised as of February 1, 2017 is greater than 130% of the state average per pupil legal costs (\$56 per pupil for the 16-17 original budget)? Yes \_\_\_\_\_ No \_\_\_\_\_

8a. Enter the June 30, 2017 (2016-17 actual costs - per pupil amount) for your district from indicator 8A of the 2018– Legal Svc. (Actual cost per pupil):

\$ \_\_\_\_\_ (8a.)

[The 2018 Taxpayer Guide to Education Spending \(https://www.state.nj.us/education/guide\)](https://www.state.nj.us/education/guide) is available on the DOE website.

8b. 130% of the **audited statewide average** for year ending 6/30/17 per the 2018 Taxpayer’s Guide to Education Spending (released spring 2018): (\$43\*1.30%) \$ 56 (8b.)

8c. N.J.A.C. 6A:23A-5.2(a)(3) requires that where the district’s audited (pre-audit year, 6/30/17) per pupil legal costs (8a) exceeds the **audited statewide average** for that year (8b), the district is required to implement the cost containment procedures no later than the earliest board of education meeting subsequent to the next year end detailed at N.J.A.C. 6A:23A-5.2 (a)(3)(i) through ((iv), or provide evidence that the implementation of those procedures would not result in a reduction of costs. If 8a above exceeds 8b above, has the district implemented the cost reduction procedures required by resolution adopted at the earliest board of education meeting subsequent to the release of the 2018 Taxpayer Guide to Education Spending?

Yes \_\_\_\_\_ No \_\_\_\_\_

If “Yes” please provide evidence of the implementation of the required procedures by board resolution. If “No” to 8c, please provide the auditor with evidence to support the assertion that such procedures would not result in a reduction of costs.

**Checklist for Annual Audit  
Current Operating Funds  
School Year 2017-18**

- ( ) 1. Copy of complete budget approved by the executive county superintendent, including supporting documents and statements and any attachments. For charter schools/renaissance school project, the budget only requires county superintendent review; not approval.
- ( ) 2. The entries in the financial records of the Board Secretary and the Treasurer (if applicable) of school moneys must be up-to-date and balances reconciled.
  - a. Complete all posting and closing entries for all financial records, including the net payroll account and payroll agency accounts, and bond and interest account as of June 30, 2018.
  - b. All adjusting entries must be made as of June 30 to reflect the accounting records on a modified accrual basis.
  - c. Annual report submitted to the board pursuant to N.J.S.A. 18A:17-10.
  - d. All entries in the Athletic Association records must be up-to-date and records must be balanced.
- ( ) 3. Complete Comprehensive Annual Financial Report (CAFR) as of June 30, 2018.
- ( ) 4. Trial balance reflecting adjusting and closing entries as of June 30, 2018, as support for the CAFR.
- ( ) 5. All books and records of the board secretary/business administrator including but not limited to:
  - a. General Journal for FY 2017-18
  - b. Special Purpose Journals for FY 2017-18
  - c. General Ledgers for FY 2017-18
  - d. Revenue Subsidiary Ledgers for FY 2017-18
  - e. Expenditure Subsidiary Ledgers for FY 2017-18
  - f. Chart of Accounts for FY 2017-18
- ( ) 6. All purchase orders for the year.
  - a. Analyses of open purchase orders at June 30, 2018.
  - b. Separate lists must be prepared for those orders representing accounts payable at June 30<sup>th</sup> and those orders that will be liquidated and paid in the subsequent fiscal years.
  - c. The total of these lists should agree with the June 30<sup>th</sup> general ledger balances for accounts payable and reserve for encumbrances, respectively.
- ( ) 7. Monthly reconciliations of all checking accounts must be prepared and available.
  - a. Bank statements for 13 months, including related canceled checks, debit and credit memos, returned by the bank and duplicate deposit tickets for the period July 1, 2017 through July 31, 2018.
- ( ) 8. Monthly reconciliations of Bond and Interest accounts must be prepared and available
  - a. Bond and interest accounts must be currently maintained.
  - b. Paid bonds and coupons, together with reconciled bank statements on which they are listed chronologically.
  - c. The bond register, posted to date.
- ( ) 9. All cash on hand including the petty cash fund, must be deposited in the bank depository by June 30, 2018.
- ( ) 10. List of investments, if any, outstanding as of June 30, 2018.

- ( ) 11. Copies of all applications, third party contracts (when applicable), revenue verification notices, all approved budgets and budget modifications in connection with State and Federal Aid, including information on all approved special programs or projects.
- ( ) 12. Copies of required financial Special Project Completion Reports filed in connection with State, Federal or special projects, such as SEMI, NCLB, Vocational reports, etc. Copies of prior year Special Project Completion Reports and copies of warrants remitting unexpended balances that were not approved for carryover to the grantor agency.
- ( ) 12a. Evidence that the district/charter school/renaissance school project had designated an employee who is responsible for the coordination of the district's/charter school's/renaissance school project's SEMI program, and evidence that the identified staff and other identified responsible district/charter school/renaissance school project staff have:
  - a. Submitted the quarterly updates and certification of the Staff Pool List (SPL)
  - b. Completed the Random Moment Time Study (RMTS)
  - c. Submitted the quarterly and annual financial information of the staff listed on the SPL
- ( ) 13. Request for Local Property Taxes (Forms T-1 and T-2) (N/A to charter schools/renaissance school projects)
- ( ) 14. Monthly statutory financial statements of the Secretary (Form A-148) and Treasurer (if applicable) (A-149) per *N.J.S.A. 18A:17-9* and *36*.
- ( ) 14a Annual report submitted to the board pursuant to *N.J.S.A. 18A:17-10*.
- ( ) 15. Minutes of board meetings, which should be reviewed prior to the audit to determine whether the proceedings are complete and properly signed. In connection with Board action, were the following subject matters recorded in the minutes?

Full spread of the adopted detailed budget

*N.J.S.A. 18A:22-8*

Board resolutions and full detail of Budget Transfers of line items with the budget or from surplus.

*N.J.S.A. 18A:22-8.1*

Board resolutions with two-thirds affirmative vote for transfers (if applicable)

*N.J.S.A. 18A:22-8.1*

Organization Meeting

*N.J.S.A. 18A:10-5*

Establishment of Petty Cash Fund

*N.J.S.A. 18A:19-13, N.J.A.C. 6A:23A-16.8*

Official Depositories

*N.J.S.A. 18A:17-34*

Official Newspaper Designated

*N.J.S.A. 18A:18A-21*

Bill or Voucher List

*N.J.S.A. 18A:19-4*

Request for Local Property Taxes (N/A to charter schools/renaissance school projects)

*R.S. 54:4-75* (Forms T-1 & T-2) (N/A to charter schools/renaissance school projects)

Change Orders on Awarded Contracts

*N.J.A.C. 6A:23A-21.1*

Summary of Bids Received

*N.J.S.A. 18A:18A-21*

Award of Contracts Bid  
*N.J.S.A. 18A:18A-36, 37 and N.J.S.A.18A:18A-3, 4.*

Designation of EUS  
*N.J.S.A. 18A:18A-5 and N.J.S.A.18A:18A-37*

Designation of Qualified Purchasing Agent  
*N.J.S.A.18A:18A-3*

Authorization of Competitive Contracting Process  
*N.J.S.A. 18A:18A-4.1, 4.3, 4.4, 4.5*

Payment of Emergency Contracts  
*N.J.S.A. 18A:18A-7*

Capital Improvement Authorizations, Proposals and/or Adoptions (N/A to charter schools/renaissance school projects)  
*N.J.S.A. 18A:22-18 and N.J.S.A. 18A:22-39*

Monthly Financial Report of the Treasurer of School Moneys (if applicable) (Form A-149)  
*N.J.S.A. 18A:17-36*

Monthly Financial Report of the Secretary  
(*Form A-148*)  
*N.J.S.A. 18A:17-9*

Investments-Authorization, Purchase and Recording  
*N.J.S.A. 18A:20-37 and N.J.S.A. 18A:20-38*

Reading and discussion of recommendations of the Annual Report of Audit  
*N.J.S.A. 18A:23-5*

Applicable Resolutions of Cancellations

Establishment of Capital Reserve Fund  
*N.J.S.A. 18A:7G-31*(N/A to charter schools/renaissance school projects)

Establishment of Emergency Reserve Fund  
*N.J.S.A. 18A:7F-41(c)1*

Resolution to request Commissioner approval to transfer funds from the Emergency Reserve  
*N.J.S.A.18A:7F-41(c)1* (if applicable)

Report of Contracts to be Renewed, Awarded or to Expire During the School Year.  
*N.J.S.A.18A:18A-42.2*

Required Board of Education/Board of Trustees Policies

Travel and Expense Reimbursement Policy  
*N.J.A.C. 6A:23A-7.2*

Public Relations and Professional Services Policy  
*N.J.A.C. 6A:23A-5.2, 22.6*

Policy on SEMI reimbursement  
*N.J.A.C. 6A:23A-5.3(e)1*

Nepotism Policy  
*N.J.A.C. 6A:23A-6.2; 22.10*

Contributions and Contracts Awards Policy  
*N.J.A.C. 6A:23A-6.3; 22.11*

Policy on Exceeding Purchase Order Amounts  
*N.J.A.C. 6A:23A-6.10; 22.15*

Vehicle Tracking and Use Policy (N/A to charter schools/renaissance school projects)  
*N.J.A.C. 6A:23A-6.11*

Prohibition of Harassment, Intimidation, Bullying  
*N.J.S.A. 18A:37-15*

Type I District Minutes (N/A to charter school/renaissance school projects)

Certificates of the amount of money necessary to be appropriated for the ensuing school year as fixed and determined by official action of the board of school estimate (*N.J.S.A. 18A:22-14*).

Electronic Communications Between School Employees and Students  
*N.J.S.A. 18A:36-40*

Child Nutrition Program Code of Conduct for Procurement  
*7 CFR PART 210.21; 215.14a; 220.16; 220.16; 225.17; 226.22; 250.50*

- ( ) 16. All vouchers, properly documented, and purchase orders should be available for inspection and review. The secretary should be certain that all paid claims have been properly approved for payment, recorded in the minutes, and that affidavits or declarations have been completed on those that equal or exceed 15% of the bid threshold amount established pursuant to *N.J.S.18A:19-3*, except for payrolls and debt service.
- ( ) 17. A separate file including copies of all legal advertisements adopted budget, requests for bids, and resolutions awarding contracts or agreements for professional services.
- ( ) 18. All contracts, agreements, leases, and bids received in connection with the advertising referred to above. Contracts which the school board/board of trustees has entered into with the State Division of Purchase and Property in the purchase of materials, supplies or equipment for the school district/charter school/renaissance school project must be available for review by the school district/charter school/renaissance school project auditor. Charter schools must provide copies of contracts with an Educational Management Organization (EMO). Renaissance school projects must provide copies of contract(s) between the project and the renaissance school district.
- ( ) 19. A schedule of all insurance coverage and fidelity bond coverage in effect during the year, and the related policies or continuation certificates, and fidelity bonds.
- ( ) 20. All employee contracts and a schedule of board approved salaries; a schedule of fringe benefits and post retirement payments by employee, type of benefit, and dollar amount/value; authorization for non-contractual fringe benefits.
- ( ) 21. A schedule detailing all staff whose position requires a school administrative, principal or school business administrator certificate pursuant to *N.J.A.C. 6A:9-12.3*. Such positions should include superintendent, assistant superintendent, school business administrator, director, principal, assistant/vice principal, etc. The format should include the title, salary, general ledger account code(s), and if all or part of each salary is not coded to a general ledger administrative function (230, 240, or 25X), provide an explanation for the deviation from administration, including any allocation methodology used.
- ( ) 22. An analysis of any balance in the net payroll or payroll agency account.
- ( ) 23. Monthly and quarterly remittance returns for all payroll agencies. Payroll tax reports, quarterly and calendar year end, including W-2s, for federal and state.
- ( ) 23a. Forms 1099 and transmittal form.
- ( ) 23b. NJ Form E-CERT1, Certification of Compliance with Federal and State Law Respecting the Reporting of Compensation of Certain Employees.
- ( ) 23c. Evidence of establishment and maintenance of a cafeteria plan for health benefits required by *N.J.S.A. 18A:16-19.1*.

- ( ) 24. All paid and voided warrants and payroll checks, together with the bank statements on which they are listed, arranged in order by month. Certified and approved payroll registers in chronological order.
- ( ) 25. All tuition contracts for sending/receiving between public schools, private schools for the disabled, and/or regional day schools and billings rendered on these contracts. (N/A to charter schools/renaissance school projects)
- ( ) 26. The Treasurer of School Moneys (if the district/charter school/renaissance school project has a treasurer) should have his or her records in order and available during the course of audit.
- ( ) 27. Board resolution to establish a capital reserve during the audit year, if applicable, per *N.J.S.A. 18A:7G-31*.
- ( ) 27a Board resolution at year end (June 1 – June 30) to supplement the capital reserve with unanticipated revenue or unexpended line-item appropriation amounts, or both if applicable.
- ( ) 28. Capital Project file (*N.J.A.C. 6A:26-3.10*). (N/A to charter schools/renaissance school projects)
- ( ) 29. Long Range Facilities Plan (*N.J.S.A.18A:7G-4, N.J.A.C. 6A:26-2.1*). (N/A to charter schools/renaissance school projects)
- ( ) 30. School Development Authority (SDA) grant agreement (signed). (N/A to charter schools/renaissance school projects)
- ( ) 31. All contracts, including transportation agreement, leases and conveyances. Include all salary, transportation and other written contracts.
- ( ) 32. Records, bills, orders and other supporting documentation of Athletic Association.
- ( ) 33. The October 13, 2017 ASSA, Charter School Enrollment System (CHE) or Renaissance Enrollment Report with supporting workpapers, documentation of internal procedures, school registers, applications for free and reduced meals, State of NJ Household Information Survey Forms (CEP schools), private school tuition contracts and student's individualized education program (IEP).
- ( ) 34. Approved Preschool Program Operational Plan, the 2017-18 Budget Statement Supporting Documentation Items 15 (Preschool Program Aid) which represent the approved plan, approved Carryover Funds forms and approved Transfer Notification Forms.
- ( ) 35. Schedule of the amounts reimbursed by the state for the current year FICA employer contribution for its TPAF members on an accrual basis.
- ( ) 35a. Schedule of the amounts to be reimbursed to the state for the employer's share of the Teachers' Pension and Annuity Fund (TPAF) pension contributions (if any), FICA, and other benefits for TPAF members paid from federally funded programs. Include a copy of the reimbursement form and evidence that the reimbursement was made by October 1 following the fiscal year end.
- ( ) 36. Analysis for each balance sheet account balance as of June 30, 2018 (see Section I, Chapter 8, page I-8.3) including a schedule of June 30 encumbrances that supports the Reserve for Encumbrance account balance.
- ( ) 37. Analysis of the miscellaneous income account including a schedule of receivables for miscellaneous income.

- ( ) 38. Latest SFRA- state aid printout (NET) and payment schedule reflecting the state aid for 2017-18. (N/A to charter schools/renaissance school projects)
- ( ) 38a. For charter schools only: Projected 2017-18, 10/13/17 and Final 2017-18 Charter School Aid Notices.
- ( ) 38b. For renaissance school projects only: Projected 2017-18, 10/13/17 and Final 2017-18 (if applicable) Renaissance Aid Notice.
- ( ) 39. E-rate – funding requests and claims for reimbursement for each of the following eligible service categories: telecommunications services, internet access and internet connections. Universal Service Fund Form 470 (E-rate), Description of Services Requested and Certification and Form 471, Services Ordered and Certification. If received, Form 486, Receipt of Service Notification, and funding commitment letter, if applicable.
- ( ) 40. The 2016-17 District Report of Transported Resident Students (DRTRS) Eligibility Summary Report produced by the department and the 2017-18 DRTRS Eligibility Summary Report produced by the DRTRS data collection software. (N/A to charter schools/renaissance school projects)
- ( ) 41. Copies of prior year Corrective Action Plan (CAP) and Certification of Implementation (COI), Summary Schedule of Prior Audit Findings prepared in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200* section .511, if applicable to determine if recommendations were addressed and implemented.
- ( ) 42. Copies of any audit or compliance report received from oversight or regulatory agencies during the current year and copies of any dispute resolutions related to prior year issues.
- 43. Special Education Medicaid Initiative (SEMI) – refer to SEMI Provider Handbook and other correspondence from the NJ Department of the Treasury:
  - ( ) a. Parental consent forms.
  - ( ) b. Documentation to verify that a service was provided on a specific date.
  - ( ) c. Records to indicate that a student either has/had a current IEP that is/was valid on the dates services were provided and that specifies/specified the services or records to indicate that a student was referred for a health-related evaluation.
  - ( ) d. Records identifying the practitioner providing the related service. The record should be adequate to verify that the service was provided to the student by a specific practitioner on a specific date.
  - ( ) e. Records of licensure and certification providing documentation in support of the claim that the practitioner(s) providing the services are SEMI qualified or are providing services under the direction of a SEMI qualified provider, if applicable to speech, nursing, audiology, occupational therapy, or physical therapy and that services provided by that practitioner(s) are eligible for reimbursement.
  - ( ) f. Records of licensure and certification providing documentation in support of the claim that the referral or evaluation detailing the pupil’s need for a service in their IEP, specifically in reference to speech, occupational therapy, or physical therapy services, was completed by a SEMI qualified provider in order for the delivery of services to be eligible for reimbursement.
- ( ) 44. Monthly transfer worksheets to support transfers pursuant to *N.J.A.C. 6A:23A-13.3(i)*. (N/A to charter schools/renaissance school projects)
- ( ) 45. Documentation of the executive county superintendent approval or receipt of the Board of Education’s transfer requests pursuant to *N.J.A.C. 6A:23A-13.3 (f).1.ii*. (N/A to charter schools/renaissance school projects)

- ( ) 46. Documentation of approval by the Commissioner for any transfer prior to April 1 of surplus or unbudgeted or underbudgeted revenue (*N.J.A.C. 6A:23A-13.3(c)*) or for any such transfer between April 1 and June 30, approval by the executive county superintendent as the Commissioner’s designee (*N.J.A.C. 6A:23A-13.3(b)*). (N/A to charter schools/renaissance school projects)
- ( ) 47. Analysis of all debt outstanding during the year and supporting documentation to demonstrate the district’s compliance with *N.J.S.A. 18A:55-3*. (N/A to charter schools/renaissance school projects)
  - ( ) a. Copies of all notices and communications regarding garnishment of State Aid received from oversight or regulatory agencies during the current year with related repayment terms. (e.g. Department of Labor notification of Delinquency in Unemployment Tax Liabilities).
  - ( ) b. Copies of all notices and communications of the existence of an unauthorized early retirement incentive program (Unauthorized ERIP) received from the New Jersey Department of Treasury.
  - ( ) c. Copies of all notices and communications regarding outstanding loans from the Department of Education pursuant to *N.J.S.A. 18A:7A-56* for those school districts to which a State monitor has been appointed.
- ( ) 48. Documentation to support all out of state travel expenditures should be available.
- ( ) 49. The 4 former ECPA districts that were approved to expand preschool programs, should have available their “Preschool Education Aid 2017-18 District Budget Planning Worksheet” and supporting documentation items 15a and 15b from their approved 2017-18 district budget. Other former ECPA districts and all ELLI districts should have available including supporting documentation items 15a and 15b from the approved 2016-17 district budget.

**Districts required to use school-based budgeting are also required to have the following documents available for the audit:**

- 50. Districts required to use school-based budgeting: (N/A to charter schools/renaissance school projects)
  - ( ) a. School-based budgets
  - ( ) b. Fiscal year 2018 NCLB Consolidated Application.
  - ( ) c. June 30, 2017 (prior year) Comprehensive Annual Financial Report (*CAFR*)
  - ( ) d. Documentation supporting transactions involving the sale of district surplus property. Surplus property means that property, which is not being replaced by other property under a grant agreement with the New Jersey Schools Development Authority.
  - ( ) e. The “Preschool Education Aid 2017-18 District Budget Planning Worksheet and supporting documentation items 15a and 15b from the approved 2017-18 district budget.

**Items required for District/School Wide financial statement**

- ( ) 1. Capital asset schedules, including the following detail:
  - a. Date placed in service.
  - b. Cost/basis.
  - c. Beginning of the year balance - accumulated depreciation.
  - d. Current year depreciation.
  - e. Ending balance - accumulated depreciation.
  - f. Classification of the asset. (e.g., land, building, equipment)
  - g. Method of depreciation. (e.g., straight line)

- h. Useful life of each asset used in computing the depreciation. School districts/charter schools/renaissance school projects may refer to the standard useful life table on page III-6.12 for guidance on useful life of each asset. School districts /charter schools/renaissance school projects are not required to utilize the standard useful lives suggested but should develop a policy appropriate for the district/charter school/renaissance school project use.
  - i. Identification by program.  
If the asset is specifically identifiable to a program (see the lines used in the Statement of activities), then that program should be noted and depreciation should be charged to that program. If not, there should be an indication that it is not specifically identifiable. The assets should be in one of two categories based on how each asset is used - 1) governmental fund or 2) business like activity (enterprise fund).
- ( ) 2. Schedule of long-term liabilities for each of the debt categories; bonds; capital leases; mortgages, compensated absences; other – (specify) and include:
    - a. Beginning of year balance
    - b. Additions
    - c. Reductions
    - d. End of year balance
    - e. Amount due within one year
  - ( ) 3. Schedule identifying debt balances (e.g. bonds, mortgages, capital leases) related to capital leases to support the calculation of net assets, net of related debt as of June 30. Schedule should indicate the amount of unspent proceeds.
  - ( ) 4. Schedule of interest accrued on long-term debt (bond or mortgage documents to support the calculation of interest accrued to June 30.)
  - ( ) 5. Trust documents (trust instruments or letter specifying restrictions) which support classification as either a permanent trust or private purpose trusts (e.g. scholarships.)
  - ( ) 6. Worksheet calculation for converting from governmental fund balances to net asset balances.

The following table relates to item 1(h) under “Items required for GASBS 34 financial reporting.”

Figure 4.1

Asset Class	Examples	Est. Useful Life in Years
Land		N/A
Site Improvements	Paving flagpoles, retaining walls, sidewalk, fencing, outdoor lighting	20
School Buildings		50
Portable Classrooms		25
HVAC Systems	Heating, ventilation, and air-conditioning system	20
Roofing		20
Interior Construction		25
Carpet Replacement		7
Electrical/Plumbing		30
Sprinkler/Fire System	Fire suppression systems	25
Outdoor Equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery & Tools	Shop & maintenance equipment, tools	15
Kitchen Equipment	Appliances	15
Custodial Equipment	Floor scrubbers, vacuums, etc.	15
Science & Engineering	Lab equipment, scientific apparatus	10
Furniture & Accessories	Classroom and office furniture	20
Business Machines	Fax, duplicating & printing equipment	10
Copiers		5
Communications Equipment	Mobile, portable radios, non-computerized	10
Computer Hardware	PCs, printers, network hardware	5
Computer Software	Instructional, other short-term	5 to 10
Computer Software	Administrative or long term	10 to 20
Audio Visual Equipment	Projectors, cameras (still & digital)	10
Athletics Equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical Instruments	Pianos, string, Bass, percussion	10
Library Books	Collections	5 to 7
Licensed Vehicles	Buses, other on-road vehicles	8
Contractors Equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressor	10
Grounds Equipment	Mowers, tractors, attachments	15

“This chart originally appeared in the book *GASBS Statement No. 34 Implementation Recommendations for School Districts* and is reprinted with permission of the Association of School Business Officials International: [www.asbointl.org](http://www.asbointl.org)”.

**Checklist for Annual Audit  
Student Activity Fund**

(Name of School)

School Year 2017-18

- ( ) 1. Monthly bank reconciliations of all checking accounts:
  - a. Bank statements for 13 months, including related canceled checks returned by the bank and duplicate deposit slips for the period July 1, 2017 through July 31, 2018.
- ( ) 2. Cash Receipts and Cash Disbursements Journal.
- ( ) 3. General Ledger of School Accounts.
- ( ) 4. Paid and unpaid Invoices and Payment Forms covering School Year.
- ( ) 5. Savings Account Pass Books or Certificates, including interest credited to June 30.
- ( ) 6. Petty Cash Fund (including unreimbursed invoices) and School Change Fund, if applicable.
- ( ) 7. Pre-numbered receipts for the period July 1, 2017 through July 31, 2018.
- ( ) 8. Copy of Annual Cumulative Report of Cash Receipts, Cash Disbursements and Balances at June 30, including completion of bank reconciliation at June 30, 2018.
- ( ) 9. Records, bills, orders and other supporting documentation of the Student Activity Accounts.
- ( ) 10. All entries in the Student Activity Account records must be up-to-date and records must be balanced.
- ( ) 11. Copies of board resolutions approving each fund.
- ( ) 12. Schedule of accounts receivable and accounts payable.

**Checklist for Annual Audit  
Food Service Fund**

(Name of School)

School Year 2017-18

- ( ) 1. Monthly bank reconciliations of all checking accounts.
  - a. Bank statements for 13 months, including related canceled checks, returned by the bank and duplicate deposit slips for the period July 1, 2017 through July 31, 2018.
- ( ) 2. Cash Receipts and Cash Disbursements Journal.
- ( ) 3. General Ledger.
- ( ) 4. Paid invoices and unpaid invoices applicable to the school year.
- ( ) 5. Savings Account Pass Books or Certificates, including interest credited to June 30.
- ( ) 6. Petty cash fund (including unreimbursed invoices) and School Change Fund, if applicable.
- ( ) 7. Prenumbered receipts or billings for the period July 1, 2017 through July 31, 2018 for special affairs.
- ( ) 8. Daily cash register tapes, properly identified, and daily cashier reports, indicating reconciliation to deposit.
- ( ) 9. Reimbursement claims filed and schedule of claims receivable as of June 30.
- ( ) 10. Copies of advertisements for bids, and copies of such bids awarded.
- ( ) 11. Schedule of any receivables or payables as of June 30.
- ( ) 12. Schedule of closing inventory of food and supplies.
- ( ) 13. Copy of annual food service manager's report of operations for the school year.
- ( ) 14. Agreement for School Nutrition Programs dated, signed by authorized representative and approved by New Jersey State Department of Education/Agriculture Officials. (all done by certification on a web-based system – SNEARS)
- ( ) 15. Eligibility documents for free and reduced-price meals.
- ( ) 16. Meal count records, Edit Check Worksheets and daily summary sheets of number and type of meals served.
- ( ) 17. Monthly Report (Summary of Meals Claimed) and Payment Log for period of audit. (in SNEARS)

- ( ) 18. Verification summary (in SNEARS).
- ( ) 19. Food Service Management Company contract (if applicable).
- ( ) 20. Paid invoices to Food Service Management Company with fully itemized and verified bills (if applicable).
- ( ) 21. Records, bills, orders and supporting documentation of the Food Service Fund.
- ( ) 22. All entries in the Food Service Fund records must be up-to-date and records must be balanced.
- ( ) 23. Food Service Management Company (*FMSC*) SSAE No. 16 Type 2 Report (if applicable).
- ( ) 24. FSMC records identifying amounts of discounts, rebates and other applicable credits.
- ( ) 25. FSMC accounting of donated commodities used during the year.
- ( ) 26. Child Nutrition Program Agreement Addendum to participate in the Fresh Fruit and Vegetable Program, if applicable
- ( ) 27. Provide documentation supporting current status of all prior year CNP findings (if applicable)

**Audit Questionnaire 2017-18**  
**(To Be Completed by the Independent Auditor of the Public-School District/Charter School/Renaissance School Project)**

The Audit Questionnaire is a checklist of items specific to New Jersey school districts/charter schools/renaissance school projects which auditors should include as part of the audit workpapers to support the auditor’s opinion on the school district’s/charter school’s/renaissance school project’s compliance with laws and regulations. This checklist should be signed by the auditor and kept with the auditor’s workpapers and available to the department upon request. **The questionnaire must be uploaded to the CAFR Repository by districts required to use a school-based budget.**

Irregularities shown by answers given to questions must be covered by a comment and recommendation in the Auditor’s Management Report.

	Yes	No	N/A
1. Was the school district/charter school/renaissance school project able to demonstrate an accounting system that was maintained in accordance with Governmental GAAP and the State prescribed publication entitled GAAP for New Jersey School Districts, A Technical Systems Manual?			
2. Were copies of the following reports completed and available for examination? <ul style="list-style-type: none"> <li>• Treasurer's (if applicable) Monthly Financial Statements. (N.J.S.A. 18A:17-36) (Form A-149)</li> <li>• Secretary's Monthly Financial Report filed on a monthly basis. (N.J.S.A. 18A:17-9a) (Form A-148)</li> <li>• Was the year-end report (June 30, 2018 A-148) prepared by the secretary, passed by board resolution and reflected in the minutes of the Board of Education/Board of Trustees at the July meeting?</li> <li>• T.P.A.F. Reimbursement for June 30 – Refer to Section II-20 for detailed information. (N.J.S.A.18A:66-90)</li> <li>• Vocational Education.</li> </ul>			
3. Were the following Cash Reconciliations prepared monthly? If no, explain. <ul style="list-style-type: none"> <li>• General Operating Fund</li> <li>• Capital Projects Fund (N/A to charter schools/renaissance school projects)</li> <li>• Food Service Fund</li> <li>• Net Salary Account</li> <li>• Payroll Agency Account</li> <li>• Permanent Fund</li> <li>• Trust Fund</li> <li>• Athletic Fund</li> <li>• Student Activity Accounts</li> <li>• Bond and Coupon Account (N/A to charter schools/renaissance school project)</li> </ul>			
4. (A) Was the following information verified utilizing the bookkeeping records, maintained in accordance with Governmental GAAP? <ul style="list-style-type: none"> <li>• Tuition Billings (N/A to charter schools/renaissance school project)</li> <li>• Tuition Accounts Receivable (N/A to charter schools/renaissance school project)</li> <li>• Rental Billings</li> </ul>			

	Yes	No	N/A
<ul style="list-style-type: none"> <li>• Rental Revenue Accounts Receivable</li> <li>• Miscellaneous Revenue</li> <li>• Miscellaneous Revenue Accounts Receivable</li> <li>• Accounts Payable (including liabilities due to grantor agencies)</li> <li>• Outstanding Purchase Orders</li> <li>• Analysis of Net Payroll Account Balances</li> <li>• Analysis of Payroll Agency Account Balances</li> </ul> <p>(B) Were the Board Secretary/Business Administrator Administrative Classifications Questionnaire and audit checklists (Operating Fund, Student Activity Fund and Food Service Fund) completed by the Board Secretary/Business Administrator and were the records ready for audit?</p>			
<p>5. Were the following revenue verification notices on hand for examination?</p> <ul style="list-style-type: none"> <li>• Restricted State Aid (NET) (N/A to charter schools/renaissance school projects)</li> <li>• Debt Service Aid (DS9, DS10) (N/A to charter schools/renaissance school projects)</li> <li>• Nonpublic School State Aid (N/A to charter schools/renaissance school projects)</li> <li>• Vocational Education</li> <li>• E.S.E.A./NCLB Funds (List by Funds):</li> <li>• Other:</li> </ul>			
<p>6. Were certifications obtained by the auditor from the Municipal Treasurer(s) for the date and amount of payments of installments of the Local Tax Levy? (N/A to charter schools/renaissance school projects)</p>			
<p>7. A) Were the minutes properly signed?            B) Are pre-numbered pages and/or marginal notes used in the maintenance of the minutes?            C) In connection with Board action, were the following subject matters recorded in the minutes?            Full spread of the adopted detailed budget <i>N.J.S.A. 18A:22-8</i></p>			

	Yes	No	N/A
<ul style="list-style-type: none"> <li>• Full detail of Budget Transfers <i>N.J.S.A. 18A:22-8.1</i></li> <li>• Organization Meeting <i>N.J.S.A. 18A:10-5</i></li> <li>• Establishment of Petty Cash Fund <i>N.J.S.A. 18A:19-13, N.J.A.C. 6A:23-2.9</i></li> <li>• Official Depositories <i>N.J.S.A. 18A:17-34</i></li> <li>• Official Newspaper Designated <i>N.J.S.A. 18A:18A-21</i></li> <li>• Bill or Voucher List <i>N.J.S.A. 18A:19-4</i></li> <li>• Request for Local Property Taxes (N/A to charter schools/renaissance school projects) <i>R.S. 54:4-75</i></li> <li>• Change Orders on Awarded Contracts <i>N.J.A.C. 6A:23-7.1</i></li> <li>• Authorizations for Advertisement of Bids <i>N.J.S.A. 18A:18A-21</i></li> <li>• Summary of Bids Received <i>N.J.S.A. 18A:18A-21</i></li> <li>• Award of Contracts Bid <i>N.J.S.A. 18A:18A-36, 37</i> and <i>N.J.S.A.18A:18A-3, 4</i></li> <li>• Designation of EUS <i>N.J.S.A. 18A:18A-5</i> and <i>N.J.S.A.18A:18A-37</i></li> <li>• Designation of Qualified Purchasing Agent <i>N.J.S.A.18A:18A-3:</i></li> <li>• Authorization of Competitive Contracting Process <i>N.J.S.A. 18A:18A-4.1, 4.3, 4.4, 4.5</i></li> <li>• Payment of Emergency Contracts <i>N.J.S.A. 18A:18A-7</i></li> <li>• Capital Improvement Authorizations, Proposals and/or Adoptions (N/A to charter schools/renaissance school projects) <i>N.J.S.A. 18A:22-18</i> and <i>N.J.S.A. 18A:22-39</i></li> <li>• Monthly Financial Report of the Treasurer of School Moneys (if applicable) (Form A-149) <i>N.J.S.A. 18A:17-36</i></li> <li>• Monthly Financial Report of the Secretary (<i>Form A-148</i>) <i>N.J.S.A. 18A:17-9</i></li> <li>• Investments-Authorization, Purchase and Recording <i>N.J.S.A. 18A:20-37</i> and <i>N.J.S.A. 18A:20-38</i></li> <li>• Reading and discussion of recommendations of the Annual Report of Audit <i>N.J.S.A. 18A:23-5</i></li> <li>• Applicable Resolutions of Cancellations</li> <li>• Establishment of Capital Reserve Fund <i>N.J.S.A.18A:7G-31</i></li> <li>• Establishment of Emergency Reserve Fund <i>N.J.S.A. 18A:7F-41(c)1</i> (if applicable)</li> <li>• Board acknowledgment of audit firm peer review report <i>N.J.A.C. 6A:23A-16.2(i)2</i></li> <li>• Report of Contracts to be Renewed, Awarded or to Expire During the School Year. <i>N.J.S.A.18A:18A-42.2</i></li> </ul> <p><b>Required Board of Education/Board of Trustees Policies</b></p> <ul style="list-style-type: none"> <li>• Travel and Expense Reimbursement Policy <i>N.J.S.A. 18A:11-12, N.J.A.C.6A:23A-6.13, 7.2</i></li> <li>• Public Relations and Professional Services Policy <i>N.J.A.C. 6A:23A-5.2; 22.6</i></li> <li>• Policy on SEMI Reimbursement <i>N.J.A.C. 6A:23A-5.3(e)1</i></li> <li>• Nepotism Policy <i>N.J.A.C. 6A:23A-6.2; 22.10</i></li> <li>• Contributions &amp; Contract Awards Policy <i>N.J.A.C. 6A:23A-6.3; 22.11</i></li> <li>• Policy on Exceeding Purchase Order Amounts <i>N.J.A.C. 6A:23A-6.10; 22.15</i></li> <li>• Vehicle Tracking and Use Policy <i>N.J.A.C. 6A:23A-6.11</i></li> <li>• Harassment, Intimidation or Bullying Policy <i>N.J.S.A. 18A:37-15</i></li> <li>• Electronic Communications Between School Employees and Students <i>N.J.S.A. 18A:36-40</i></li> <li>• Child Nutrition Program Procurement– <i>7 CFR PART, 210.21; 215.14a; 220.16; 225.17; 226.22; 250.50</i></li> </ul>			

	Yes	No	N/A
<p>8. Type I District Minutes. (N/A to charter schools/renaissance school projects)</p> <p>(A) Did the board of school estimate fix and determine by official action the amount of money necessary to be appropriated for the ensuing school year?</p> <p>(B) Were certificates of such amounts delivered to the board and to the governing body of the district per <i>N.J.S.A. 18A:22-14</i>?</p>			
<p>9. (A) Are records maintained in conformance with requirements prescribed by the state board of education/board of trustees per <i>N.J.A.C. 6A:23A-16.1; 22.1</i>?</p> <p>(B) If an electronic data processing bookkeeping service company is used, is an audit of the internal controls of the service company on file per <i>N.J.A.C. 6A:23A-16.6</i>?</p>			
<p>10. (A) Condition of Records: Comment on needed improvements in the Auditor's Management Report</p> <p style="text-align: center;"><b>Yes=Satisfactory No= Unsatisfactory</b></p> <ul style="list-style-type: none"> <li>• Treasurer (if applicable)-General</li> <li>• Secretary-General</li> <li>• Capital Projects (N/A to charter schools/renaissance school projects)</li> <li>• Food Service</li> <li>• Payroll</li> <li>• Permanent Fund</li> <li>• Trust Fund</li> <li>• Athletic Funds</li> <li>• Student Activity Funds</li> <li>• Bond and Coupon (N/A to charter schools/renaissance school projects)</li> <li>• Other: _____</li> </ul> <hr/> <p>(B) Are the Treasurer's (if applicable) records maintained independently of the Board Secretary's?</p> <p>(C) Were records of the Treasurer (if applicable) and Board Secretary reconciled on a monthly basis?</p> <p>(D) In your opinion, are the books and records of any official in such unsatisfactory condition that comment and recommendation is made in the Auditor's Management Report?</p> <p>If answer is "yes", specify the officials referred to</p>			
<p>11. (A) Were all payrolls approved by the Superintendent/Chief School Administrator and certified by the Secretary and President of the Board prior to issuance of salary checks?</p> <p>(B) Were bank deposits to Payroll Salary and Agency accounts detailed as to sources of Appropriations, Special Funds, Refund or Other Sources?</p> <p>(C) Where outside services (computer services, etc.) are utilized, are the records adequate and do they leave an "audit trail"?</p> <p>(D) Were payroll tax filings properly prepared, including fringe benefits where applicable?</p> <p>(E) Was a review of the position control roster performed to ensure that only active and eligible employees are included in pension and benefits reports?</p>			

	Yes	No	N/A
<p>(F) For districts with an assigned state-appointed monitor, was the salary of the monitor properly reported on line 230-180, General Administrative Salaries-State Monitor?</p> <p>(G) Was prior confirmation from the Executive County Superintendent that a quantitative or qualitative merit criterion had been met prior to payment of a merit bonus payment?</p>			
<p>12. (A) Is there a requisition system operative in the district/charter school/renaissance school project?</p> <p>(B) Is there a sequential purchase order system operative in the district/charter school/renaissance school project?</p> <p>(C) Are purchase orders numerically recorded in a central register?</p> <p>(D) Is an encumbrance system utilized in accordance with Governmental Generally accepted accounting principles (GAAP)?</p>			
<p>13. Does the use of electronic funds transfer for the payment of claims comply with <i>N.J.S.A. 40A:5-16.5</i> and <i>N.J.A.C. 5:30-9A</i>? If answer is "no", a comment and recommendation is required.</p>			
<p>14. (A) Are tuition contracts available for sending/receiving between public schools, private schools for the disabled and/or regional day schools using the state prescribed contract form? (N/A to charter schools/renaissance school projects)</p> <p>(B) Are billings being rendered according to the terms of the state prescribed contract forms?</p>			
<p>15. Were the monthly certifications of line-item appropriations and fund status filed in accordance with <i>N.J.A.C. 6A:23A-16.10(c)</i> and Division of Finance Policy Bulletin 200-11? (If no, appropriate comments and recommendations must be included in the annual audit report)</p>			
<p>16. Has the Board's Records Custodian adopted and made available to the public a Records Request Form (<i>N.J.S.A. 47:1A-5(f)</i>) (OPRA)?</p>			
<p>17. Has the statement of rights of appeal been posted pursuant to <i>N.J.S.A. 47:1A-5(j)</i> (OPRA)?</p>			
<p>18. Expenditure Classification Test Results Summary</p> <p>Dollar Value of Items Tested \$ _____</p> <p>Dollar Value of Errors Noted \$ _____</p> <p>Dollar Value Error Rate _____ %</p> <p>Total Expenditures* \$ _____</p> <p>*General Fund and Special Revenue Fund excluding on-behalf payments for TPAF (pension and FICA).</p>			
<p>19. Is the district/charter school/renaissance school project appropriately assisting the State in maximizing federal participation pursuant to section 7 of <i>P.L. 1968, c.413 (C.30:4D-7)</i> (SEMI Program)? Consider the following: (A) Has the district/charter school/renaissance school project appointed a SEMI Coordinator or contact person?</p>			

	Yes	No	N/A
(B) Has the district/charter school /renaissance school project applied for participation in the SEMI Program with the Department of Education, Medicaid and the third-party billing administrator?			
(C) Has the district/charter school/renaissance school project completed a Memorandum of Understanding with the New Jersey Department of the Treasury?			
(D) Do the IEPs identify services which are eligible for reimbursement under the SEMI Program?			
(D1) Has the district/charter school/renaissance school project documented delivery of the services identified for reimbursement in item D above to eligible students by SEMI qualified practitioners in the third-party administrator’s proprietary software system?			
(E) Does the district/charter school/renaissance school project have a process for identifying new students eligible for the SEMI Program?			
(F) Does the district/charter school/renaissance school project have a process for acquiring parental consent for students eligible for the SEMI Program?			
(G) Are parental consent forms available in the student file?			
(H) Does the district/charter school/renaissance school project have a process for documenting expenditures reimbursement under the SEMI Program (refer to the SEMI Provider Handbook)?			
(I) Has the district/charter school/renaissance school project been updating service data in a timely manner?			
(J) Are <u>initial, annual, reevaluation and revision/amendment</u> reviews, with a health related component documented for the students in the SEMI Program?			
(K) Are IEPs available for claims made under the SEMI Program?			
(L) Has the district identified a staff member responsible for the staff pool list (SPL)?			
(L1) Are the identified responsible district staff members updating and certifying the required quarterly staff pool list (SPL) submissions in the third-party administrator’s proprietary software system in a timely manner?			
(M) Are the selected district staff members who are listed on the district’s/charter school’s/renaissance school project’s staff pool list responding in a timely manner to the Random Moment Time Study (RMTS)?			
(N) Has the district/charter school/renaissance school project designated staff responsible for submitting the quarterly and annual financial information of the staff listed on the SPL in the third-party administrator’s proprietary software system?			
(N1) Has the designated district/charter school/renaissance school project staff responsible for submitting the required quarterly and annual financial information been updating and certifying the required quarterly and annual financial information of the staff listed on the SPL in a timely manner?			
20. Were administrative staff whose position requires a school administrative, principal or school business administrator certificate recorded in the administrative functions, and if not was the account coding in compliance with department guidance (NJ Chart of Accounts) and was proper supporting documentation maintained for any allocations?			
21. Were proper approvals obtained for cumulative line-item transfers greater than 10% and/or appropriation of surplus or under budgeted or unbudgeted revenue pursuant <i>N.J.A.C. 6A:23A-13.3</i> .			
22. Did the district/charter school/renaissance school project file its annual report required by <i>N.J.S.A. 18A:17-10</i> by August 1, 2018?			

	Yes	No	N/A
23. Is the school district/charter school/renaissance school project current in submitting all claims for reimbursable costs under the Federal E-rate program (the Schools and Libraries Universal Support Mechanism) for encouraging the use of the internet?			
24. Has the school district/charter school/renaissance school project applied for the maximum amount of Federal E-rate program funds in each of the following areas? (A) Telecommunications Services (B) Internet Access (C) Internet Connections			
25. Did the school district/charter school/renaissance school project participate in the following cost savings programs during 2017-18? ( <i>N.J.S.A. 18A:55-3</i> and <i>N.J.A.C. 6A:23A-6.1(b)</i> ) (A) Alliance for Competitive Energy Services (ACES) If no, why didn't the school district/charter school/renaissance school project participate? _____ _____ _____ (B) Alliance for Competitive Telecommunications (ACT) If no, why didn't the school district/charter school/renaissance school project participate? _____ _____ _____ (C) New Jersey School Boards Association Insurance Group or a joint insurance fund If no, why didn't the school district/charter school/renaissance school project participate? _____ _____ _____ (D) New Jersey State Health Benefits Plan If no, why didn't the school district/charter school/renaissance school project participate? _____ _____ _____			
<b>Questions 26 Through 29 Applicable Only to School Districts</b>			
26. Did the district refinance all outstanding debt where a three percent net present value savings threshold was achievable pursuant to <i>N.J.S.A. 18A:55-3</i> ?			
27. Does the school district have a current Position Control Roster (PCR) as required by <i>N.J.A.C. 6A:23A-6.8</i> ?			

	Yes	No	N/A
<p>28. Are all the following required components included in the Position Control Roster <b>as required by N.J.A.C. 6A:23A-6.8?</b></p> <ul style="list-style-type: none"> <li>• The employee’s name</li> <li>• The employee’s date of hire</li> <li>• A permanent position tracking number for the employee, including: <ul style="list-style-type: none"> <li>○ The expenditure account codes for the general funds consistent with the State prescribed budget, special revenue fund, and enterprise funds</li> <li>○ The building(s) the position is assigned</li> <li>○ The certification title and endorsement held, as applicable</li> <li>○ The assignment position title</li> </ul> </li> <li>• A control number for substitute teachers</li> <li>• A control number for overtime</li> <li>• A control number for extra pay</li> <li>• The status of the position (filled, vacant, abolished, etc.)</li> <li>• An indication, when available, of whether the employee is retiring in the budget year or not being renewed, including associated costs such as contractual buyouts, severance pay, paid vacation or sick days, etc.</li> <li>• Each of the following: base salary, step, longevity, guide, stipends by type, overtime, and other extra compensation</li> <li>• The benefits paid by the school district, net of employee reimbursements or co-pays, by type of benefit and for FICA and Medicare</li> <li>• The position’s full-time equivalent value by location</li> <li>• The date the position was filled</li> <li>• The date the position was originally created by the school district board of education/trustees. If the date the position was originally created is not available, this item shall represent the date the person currently filling that position was approved by the school district board of education/trustees</li> </ul>			
29. Is the Position Control Roster accurate, timely and complete?			
<p>30. Does the school district’s/charter school’s/renaissance school project’s actual audited per pupil /charter schools/renaissance school projects cost for the year ended June 30, 2018 exceed 130% of the 2017-18 audit statewide average legal cost per pupil published in the 2018 Taxpayers Guide to Education Spending? (Note to auditor: Refer to question 8 of the Administrative Questionnaire)</p> <p>(A) If yes, has the district provided evidence that the procedures required by <i>N.J.A.C. 6A:23A-5.2(a)(3); 22.6(a)(3)</i> have been adopted by resolution or memo at the earliest board meeting subsequent to the release of the 2018 Taxpayers Guide to Education Spending?</p> <p>(B) If no, has evidence been provided that such procedures would not result in a reduction of costs?</p>			
<b>Questions 31 Through 33 Are Applicable Only to Districts Required to Use School-Based Budgeting</b>			
31. Were the school-based budgets available for all schools within the district which have implemented school-based budgeting?			
32. Did the district obtain approval to operate a Title I Schoolwide Program in each of its schools where federal dollars are blended in the school-based budgets?			

	Yes	No	N/A
33. Did the school district apply for and implement Federal programs in a timely and appropriate manner?			
<b>Question 34 Applicable Only to Charter Schools</b>			
34. Does the charter school have a contract for educational or business services with an Educational Management Organization (EMO)? If no, skip to question #35. 34a. Did the charter school adhere to public school contract guidelines pursuant to <i>N.J.S.A. 18A:18A</i> in the selection of an EMO and in all school-related purchasing? 34b. Did the charter school relinquish any of its powers as delineated in <i>N.J.S.A. 18A:36A-3(a), 6, 14(a), and (b)</i> to a contractor or vendor such as an EMO? 34c. If any members of the EMO board are also voting members of the charter school board of trustees, did the EMO-related member recuse him/her on all related-party transactions?			
<b>Question 35 Through 41 Applicable Only to Charter Schools/ Renaissance School Projects</b>			
35. Does the charter school/renaissance school project have a fully composed and functioning board of trustees?			
36. Is the charter school/renaissance school project utilizing the services of a Certified School Business Administrator who is performing all duties and responsibilities of this title?			
37. Does the board on a monthly basis approve all expenditures before payment of invoices?			
38. Do the President and Board Secretary /School Business Administrator sign all checks/warrants?			
39. For Renaissance School Projects only, is there evidence of the non-profit status of the school operator in accordance with <i>N.J.S.A. 18A:36C-4</i> ?			
40. For Charter Schools Only, did the charter school establish and maintain an Escrow Account of at least \$75,000 pursuant to <i>N.J.A.C. 6A:11-1.2</i> ?			
41. If a violation in any of the above areas was noted, does the auditor's management report include findings and corresponding recommendations?			

## **Section III – Reporting**

### **Chapter 7 – Audit Synopsis, Corrective Action Plan and Certification of Implementation**

(Chapter 7 is applicable to school districts, charter schools and renaissance school projects)

#### **Synopsis and Hearing of Audit**

*N.J.S.A. 18A:23-3* states in part that "The Commissioner annually shall publish a summary of such recommendations as made for each school district and the steps which have been taken in each district for their implementation."

*N.J.S.A. 18A:23-4* states "The secretary of the board shall prepare or have prepared a synopsis or summary of the annual audit and recommendations, prior to the holding of the meeting of the board of education to take action thereon; A copy of which synopsis or summary shall be available for distribution to interested parties at the meeting."

#### **Audit Synopsis (for use in presenting the results of the audit to the public)**

In order to comply with the above requirements, it is requested that the Secretary of the Board prepare the audit synopsis under the following format:

- a. Governmental Funds Balance Sheet (Exhibit B-1).
- b. Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance (Exhibit B-2).
- c. Audit Recommendations Summary\* (template below)  
Include the following sub headings:
  1. Administrative Practices & Procedures
  2. Financial Planning, Accounting & Reporting
  3. School Purchasing Programs
  4. School Food Service
  5. Student Body Activities
  6. Application for State School Aid
  7. Pupil Transportation
  8. Facilities and Capital Assets
  9. Miscellaneous
  10. Status of Prior Year Findings

**\* The Audit Recommendations Summary should be included as the last page in the AMR**

**The following documents must be submitted to the DOE through the CAFR repository:**

#### **Corrective Action Plan (CAP), if Applicable**

The Corrective Action Plan is uploaded to the CAFR Repository at <http://homeroom.state.nj.us/> within 30 days of board approval. The CAP must address all findings contained in the Comprehensive Annual Financial Report (CAFR) and the Auditor's Management Report (AMR) with appropriate subheadings. A completed CAP should be signed and dated by the chief school administrator and the board secretary/school business administrator. Prepare a CAP only when there is a finding(s) in the CAFR or AMR.

**Board Resolution**

Specific board action and disposition of each audit recommendation must be duly noted in the minutes of the board. The board resolution must read, “Accept the Audit and Approve the Corrective Action Plan (if Applicable)”. A general statement of the Board’s acceptance of the audit and recommendations is NOT in compliance. The board resolution should mirror the recommendation(s) of the CAP. In addition, it must address the corrective action(s) voted by the board and signed by the chief school administrator and board secretary/school business administrator.

**Certification of Implementation (COI) (if Applicable) (See Template Below)**

The COI is uploaded to the CAFR repository by June 30, 2019 only where there is a finding(s) in the CAFR or AMR and after all the corrective action have been fully implemented.

[TEMPLATE Audit Recommendations Summary](#)

[TEMPLATE Corrective Action Plan](#)

[TEMPLATE Certification of Implementation of Corrective Action Plan](#)

**Sample School District/Charter/Renaissance School Project  
Audit Recommendations Summary  
For the Fiscal Year Ended June 30, 2018**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Charter School Enrollment System(CHE) (Applicable to audits of charter schools)

None

8. Pupil Transportation

None

9. Facilities and Capital Assets

None

10. Miscellaneous

None

11. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.

**\* The Audit Recommendations Summary should be included as the last page in the AMR**

**(Sample) Corrective Action Plan (CAP)**  
**Prepare only when there is a finding(s) in the CAFR or AMR.**

Upload to the CAFR Repository with file name: CAP.PDF (within 30 days of board approval)

**and**

**Email a copy of the CAP to: CAP@ag.nj.gov**

**School District/Charter/Renaissance School Project**

**County**

**Contact Person**

**Type of Audit**

**Telephone Number**

**Email Address**

**Date of Board Meeting**

<b>Recommendation Number</b>	<b>Corrective Action Required by The Board</b>	<b>Method of Implementation</b>	<b>Person Responsible for Implementation</b>	<b>Planned Completion Date of Implementation</b>
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<b>Chief School Administrator:</b>	<b>Date:</b>
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<b>Board Secretary/School Business Administrator:</b>	<b>Date:</b>
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**[Sample]** Certification of Implementation (COI)

For the Fiscal Year ended June 30, 2018

**Prepare only if a CAP was uploaded**  
**Upload to CAFR Repository with file name: COI.PDF**

School District/Charter School /Renaissance School Project \_\_\_\_\_  
 County \_\_\_\_\_

I hereby certify that all corrective actions listed on the district's /charter school's/renaissance school project's Corrective Action Plan (CAP) for the fiscal year indicated above have been fully implemented with the following exceptions: Indicate "None", if applicable.

CAP Recommendation Number	Comments

**Chief School Administrator:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Board Secretary/School Business Administrator:** \_\_\_\_\_ **Date:** \_\_\_\_\_