

Date Issued: 6/2022



STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION

**Financial Accounting for
New Jersey Private Schools
for Students with Disabilities**

**The Audit Program
2021-2022 School Year**

New Jersey
State Department of Education
Office of School Finance
P.O. Box 500
Trenton, New Jersey 08625-0500

Angelica Allen-McMillan, Ed.D.
Acting Commissioner of Education

Kevin Dehmer
Assistant Commissioner / CFO
Division of Finance and Business Services

State Board of Education

Kathy A. Goldenberg President	Burlington
Andrew J. Mulvihill	Sussex
Arcelio Aponte	Middlesex
Mary Beth Berry	Hunterdon
Elaine Bobrove	Camden
Fatimah Burnam-Watkins	Union
Ronald K. Butcher	Gloucester
Jack Fornaro	Warren
Mary Elizabeth Gazi	Somerset
Nedd James Johnson	Salem
Ernest P. Lepore	Hudson
Joseph Ricca, Jr	Morris
Sylvia Sylvia-Cioffi	Monmouth

Table of Contents

	Page
I. Digest of the APSSD Audit Requirement	N-1 to N-3
II. Directives to the APSSD's Governing Body	N-4 to N-10
• Budget	N-4
• Bookkeeping Records	N-5
• Petty Cash Fund	N-6
• Student Activity Funds	N-6 to N-7
• Rules of Professional Conduct	N-7
• Cooperation with the Auditor	N-7 to N-9
• COVID-19 Paid Time off (PTO) Policy	N-9
• Hearing on Audit	N-10
III. APSSD Bookkeeping and Accounting	N-11 to N-22
• Private Placement Services	N-11
• Funds — Restricted and Unrestricted	N-11 to N-13
• Fund Accounting for Non-Profit Organizations	N-13
• Operating Funds	N-13
• Modified Fund Accounting for Profit-Making Organizations	N-14
• Fixed Asset Accounting	N-14 to N-16
• Cash Receipts Journal	N-16 to N-17
• Cash Disbursements Journal	N-17
• General Ledger	N-18 to N-19
• Tuition Ledger	N-19 to N-20
• Fixed Asset Inventory	N-20
• New Jersey School Register	N-20 to N-22
• Other Records	N-22
IV. Scope of Funds to be Audited	N-23 to N-24
• Scope of Funds to be Audited	N-23
• Organizations under the Auspices of the School	N-23
• Fund Raising in Schools by Outside Organizations	N-23 to N-24
• Funds Belonging to Outside Organizations	N-24
• Funds of Teacher Organizations and Parent Teacher Units	N-24
• Funds for Immediate Purchase of Tickets	N-24

	Page
V. Conducting the Private School Audit	N-25 to N-87
• Special Purpose/Component Financial Statements	N-25 to N-26
• School’s Governing Body Minute Records	N-26
• Budgets	N-26
• Revenues and Receipts	N-27
• Tuition	N-27
• Expenditures	N-28 to N-31
• Non-Allowable Costs	N-31 to N-57
• Statement of Expenditures by Line Item	N-58 to N-63
• Statement of Total Expenditures	N-64
• Statement of Percentages for Cost Category Assignments	N-64 to N-66
• Statement of Enrollment	N-66 to N-67
• Statement of Tuition Rate Computation — Parts I & II	N-67 to N-69
• Statement of Tuition Rate Computation — Working Capital	N-69 to N-71
• Statement of Tuition Rate Computation — Surcharge	N-71
• Extraordinary Services — Statement of Expenditures by Line-Item	N-72
• Statement of Extraordinary Services — Tuition Rate Computation etc.	N-72 to N-73
• Statement of Billing Adjustment	N-73 to N-74
• Statement of Non-Allowable Costs	N-75
• Statement of Food Service	N-75 to N-76
• Community Eligibility Provision Schools as administered by NJDA	N-77
• Statement of Interest/Dividends Earned — Investment of Tuition Funds	N-78
• Early Intervention Program	N-78 to N-79
• Revenues, Expenses, Fund Balances and Retained Earnings	N-79 to N-80
• Statement of Accruals and Accounts Payable	N-80
• State of New Jersey Single Audit Act	N-81
• Balance Sheet	N-81 to N-82
• Reporting Requirements for Non-Profit Organizations	N-82
• Notes to Financial Statements	N-82 to N-86
• Recommendations	N-86
• Audit Software	N-87
• COVID-19 Guidance	N-87
• Annual Disclosure Statement	N-87
• Nepotism	N-87
• FASB — ASC 842	N-88
• Additional or Compensatory Special Education and Related Services	N-88 to N-89
• Listing of Non-Compliance Errors in Audit Reports	N-88 to N-90
VI. Sample of Audit Report — Profit	P-1 to P-63
VII. Sample of Audit Report — Nonprofit	NP-1 to NP-69

- **Appendix A** — [N.J.A.C. 6A:23A- 18.1 through 18.23](#)
- **Appendix B** — Chart of Accounts for Private Schools for Students with Disabilities.
- **Appendix B-1** — [Narrative Explanation of the Chart of Accounts for Private Schools.](#)
- **Appendix C** — [Private Schools for Students with Disabilities Financial Report Form and Directions Prescribed](#) by the Department of Education.
- **Appendix D** — Department of Education Mandated “[Tuition Contract](#)” for the Ten-Month School Year and the Extended School Year.
- **Appendix E** — Reserved.
- **Appendix F** — Department of Education Prescribed [Employee Time Record](#) Format.
- **Appendix G** — Addresses - County Offices of Education.
- **Appendix H** — State OMB Circular Letter 15-08 (refer to [State of New Jersey Treasury OMB Circular Letter](#)).
- **Appendix I** — [Maximum Salaries for 2021-2022.](#)
- **Appendix J** — [2021-2022 Tentative Tuition Rates for Private Schools for Students with Disabilities.](#)
- **Appendix K** — Approval for 2021-2022 Tentative Tuition Rates for Private Schools for Students with Disabilities, Based on Appeal.
- **Appendix L** — 2021-2022 Tentative Tuition Rates for New Private Schools for Students with Disabilities.
- **Appendix M** — Private Schools in Session Less Than the Required 180 Days of Instruction.
- **Appendix N** — [Recognized Position Titles.](#)
- **Appendix O** — Private Schools for Students with Disabilities - Auditor Independence in Accordance with N.J.A.C. 6A:23A-18.9(a).
- **Appendix P** — [Prescribed Cost of Ownership Format For Related Party Transactions.](#)
- **Appendix Q** — Federal OMB Circular A-133 (refer to [Federal OMB Circular A-133](#)).
- **Appendix R** — Private Schools for Students with Disabilities Participating in the Child Nutrition Program for 2021-2022.
- **Appendix S** — Private Schools’ Data Collection.
- **Appendix T**

- T-1 Cost Category Assignments - Calculation of Non-allowable Costs - Excess Administration Percentage.
 - T-2 Cost Category Assignments - Calculation of Non-allowable Costs - Deficient Instruction Percentage.
 - T-3 Cost Category Assignments - Calculation of Non-allowable Costs - Excess Administration and Deficient Instruction Percentages.
- **Appendix U** — Prescribed Mileage Format for School-Owned or Leased Vehicles.
 - **Appendix V** — School District Code Listing.

The 2021-2022 complete update to “Financial Accounting for New Jersey Private Schools for Students with Disabilities — The Audit Program” is available on the Department of Education’s website at [APSSD Audit Program](#). Click on 2021-2022 Update to Financial Accounting for New Jersey Private Schools for Students with Disabilities — The Audit Program.