



## 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*

September 13, 2016

Ms. Cindy Streater, Board President  
Deerfield Township Public Schools  
419 Morton Avenue.  
Rosenhayn, NJ 08352

Dear Ms. Streater:

SUBJECT: Deerfield Township Board of Education – NCLB Title I Audit  
OFAC Case # SG-0019-15

The New Jersey Department of Education, Office of Fiscal Accountability and Compliance, has completed a fiscal audit of federal funds disbursed by the **Deerfield Township Board of Education** (Deerfield Township). The funding sources reviewed include one or more titled programs under the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001 (ESEA). The review covered the period July 1, 2014 through June 30, 2015. The resulting NCLB Title I report is enclosed for your review.

Utilizing the process outlined in the attached “Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process,” Deerfield Township 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 findings in dispute. 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. Please 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. The submission of an appeal does not preclude adherence to the provisions of N.J.A.C. 6A:23A-5.6, et seq. Should you have any questions, please contact Lisa D. McCormick, Single Grants/Audit Unit at (609) 292-7742.

Sincerely,

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

RJC/LDM/tc: Deerfield Township Cover Letter  
Attachment

[www.nj.gov/education](http://www.nj.gov/education)

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STATE OF NEW JERSEY  
DEPARTMENT OF EDUCATION  
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE  
PO BOX 500  
TRENTON, NJ 08625-0500

DEERFIELD TOWNSHIP BOARD OF EDUCATION  
419 MORTON AVENUE  
ROSENHAYN, NJ 08352  
PHONE: (856) 451-6720

REPORT ON EXAMINATION  
NCLB TITLE I AUDIT  
FOR THE PROJECT PERIOD  
JULY 1, 2014 TO JUNE 30, 2015

District: Deerfield Township Board of Education  
County: Cumberland

AUTHORIZED REPRESENTATIVE: Mark T. Jones

DIRECTOR OF PROGRAM: Mark T. Jones

PERSONS CONTACTED (Name & Title):

Melanie Allen, Board Secretary/Business Administrator

Mark T. Jones, Interim Chief School Administrator and Program Director – Title I

**FUNDING SOURCES**

PROGRAM YEAR	N C L B				TOTAL
	TITLE I PART A	TITLE I PART A C/O	S I A PART A	S I A PART A C/O	
	APPROVED FUNDING				
2014-2015	\$105,598.00		\$0.00		\$105,598.00
2013-2014		\$5,964.00		\$0.00	\$5,964.00
<b>TOTAL</b>	<b>\$105,598.00</b>	<b>\$5,964.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$111,562.00</b>

**DEERFIELD TOWNSHIP BOARD OF EDUCATION  
NCLB TITLE I AUDIT  
FISCAL YEAR 2014-2015**

**FINDINGS AND RECOMMENDATIONS**

**1. Adequate documentation was not provided which demonstrates that certain charges to the Title I, Part A program represent allowable costs.**

A review of the district's general ledger disclosed that Title I funds totaling \$765.00 were used to reimburse teachers for the acquisition of gift cards and supplies. The district planned to distribute the gift cards to teachers and students who participated in the New Jersey Positive Behavior Support in Schools program mentioned in its approved School Improvement Plan. However, records evidencing the distribution and recipients of the cards were not furnished for examination. The related purchases are summarized below:

<b>Purchase Order#</b>	<b>Date</b>	<b>Vendor</b>	<b>Description</b>	<b>Amount</b>
236-15	6/9/15	Kimberly Mereoli	Dunkin Donuts and Wawa \$5 gift cards	\$100.00
240-15	6/9/15	Lisa Herron	Various \$5 and \$50 gift cards	215.00
235-15	6/17/15	Janine Robbins	BJs \$200 gift card	200.00
259-15	6/30/15	Janine Robbins	Rita's, Five Below and Wawa gift cards for \$5 and \$50	250.00
<b>Total</b>				<b>\$ 765.00</b>

Pursuant to 2 CFR §225 (formerly OMB Circular A-87), Appendix A (the Appendix), Sections C.1.a and b, costs must be necessary and reasonable for proper and efficient performance and administration of federal awards, and be allocable to federal awards in accordance with the provisions of 2 CFR §225, respectively. Further, Section C.3.a states a cost is allocable to a particular cost objective if the goods or services are chargeable or assignable to such cost objective in accordance with relative benefits received. As a result, the sum of \$765.00 must be refunded to the SEA (refer to the Schedule of Audit Recovery Due to State Education Agency (SEA) at the end of this report).

**Recommendation**

The LEA must improve the procedures utilized to account for expenditures related to the Title I, Part A program in accordance with the requirements of 2 CFR §225.

**2. The LEA improperly used Title I, Part A funds totaling \$146.63 for expenditures that did not conform to applicable provisions of the travel regulations.**

A review of non-salary expenditures revealed that aggregate Title I, Part A funds of \$146.63 were expended to reimburse employees for travel to training sessions throughout the school year. However, the district was unable to provide records indicating the staff members' starting point, destination, mileage traveled, purpose for travel and/or detailed descriptions of all trainings attended for examination.

**DEERFIELD TOWNSHIP BOARD OF EDUCATION  
NCLB TITLE I AUDIT  
FISCAL YEAR 2014-2015**

**FINDINGS AND RECOMMENDATIONS**

Section C.1.j of the Appendix requires that *costs must be* adequately documented to be allowable under federal awards. Moreover, excerpts from N.J.A.C. 6A:23A-7.13 provides further authority for the disallowance of these costs:

- (a) All persons authorized to travel on business shall keep a memorandum of expenditures chargeable to the school district, noting each item at the time the expense is incurred, together with the date incurred.
- (b) The travel voucher shall be completed by the employee or board member to document the details of the travel event.
- (c) Sufficient documentation shall be maintained centrally by the school district to support payment and approval of the travel voucher.
- (d) In addition to the documentation required for reimbursement, each person authorized to travel shall submit a brief report that includes the primary purpose for the travel, the key issues addressed at the event and their relevance to improving instruction or the operations of the school district. This report shall be submitted prior to receiving reimbursement.
- (e) Documentation for requests for travel reimbursement shall show: 1. The dates and individual points of travel, number of miles traveled between such points and kind of conveyance used; 2. If the distance traveled between any given points is greater than the usual route between these points, the reason for the greater distance must be stated.

Based on the foregoing, the district must remit the sum of \$146.63 to the department for the cost of ~~airline tickets not properly supported by quotes~~ (refer to the Schedule of Audit Recovery Due to SEA at the end of this report).

**Recommendation**

The LEA must ensure that its travel policy and payments of any related reimbursements conform to 2 CFR §225 and N.J.A.C. 6A:23A-7.13, et seq.

**3. Title I funded personnel did not prepare detailed time and activity reports in a manner consistent with the requirements of 2 CFR §225.**

The time and activity reports prepared by Title I funded staff did not include funding sources to show allocation of costs charged to the federal program.

In particular, fully funded Title I personnel must prepare and sign periodic time and activity reports, at least twice a year and have them signed by a supervisor to support their time chargeable to the Title I program in accordance with EDGAR, 34 CFR §80.20(b)(6) and 2 CFR §225, Appendix B, Section 8.h.(3). Split funded Title I personnel are required to complete and sign monthly time and activity reports pursuant to EDGAR, 34 CFR §80.20(b)(6) and 2 CFR §225, Appendix B, Section 8.h.(4).

**In order to avoid potential audit findings and the recovery of funds**, the LEA is directed to refer to a broadcast memorandum dated December 18, 2012 issued by the Office of Title I regarding "Time and Effort Reporting for Title I Funded Staff." The memorandum can be accessed  
9/28/16

**DEERFIELD TOWNSHIP BOARD OF EDUCATION  
NCLB TITLE I AUDIT  
FISCAL YEAR 2014-2015**

**FINDINGS AND RECOMMENDATIONS**

from the department's website at: <http://education.state.nj.us/broadcasts/2012/DEC/18/8643/Time%20and%20Activity%20Reporting.pdf>.

Anytime a change of funding source occurs, the event must be recorded in the board of education meeting minutes. A revised certification must be prepared and signed by the appropriate parties. The LEA must be aware that the supplanting of local funds is in violation of NCLB statutes and subject to SEA recovery.

**Recommendation**

The LEA must develop procedures to ensure Title I funded personnel prepare time and activity reports which conform to the requirements of EDGAR, 34 CFR §80.20(b)(6) and 2 CFR §225, Appendix B, Sections 8.h.(3) and 8.h.(4).

**4. Appointments of Title I, Part A instructional personnel recorded in the board of education meeting minutes did not contain all of the required information.**

The board of education meeting minutes evidencing appointments of Title I funded personnel did not properly include the salaries for Title I employees. Consistent with federal cost principles set forth by 2 CFR §225 and New Jersey Department of Education guidelines, LEA's are required to document all program related costs. To achieve compliance with these requirements, the designation of all Title I employees, their salaries and funding percentages must be documented in the board minutes to provide a public record of approval for these expenditures.

**Recommendation**

The LEA must ensure that all Title I employee appointments, including their salaries and funding percentages, are recorded in the board of education meeting minutes documenting proper authorization of these expenditures.

**5. The LEA did not accurately record salary costs on a consistent basis as program activities were performed.**

A review of the general ledger and payroll records disclosed that salary charges were not properly prorated throughout the school year. Actual Title I salary charges (contractual salary multiplied by the Title I funding percentage) should have been used and prorated based on the number of payroll periods, and recorded throughout the fiscal year.

In accordance with Chapter 9 of the GAAP Technical Systems Manual, program salary expenditures must be recorded to the appropriate special revenue fund program as charges are incurred each pay period. Furthermore, EDGAR, 34 CFR §76.730(e) stipulates that the LEA shall keep records in a manner that facilitates an effective audit.

**DEERFIELD TOWNSHIP BOARD OF EDUCATION  
NCLB TITLE I AUDIT  
FISCAL YEAR 2014-2015**

**FINDINGS AND RECOMMENDATIONS**

**Recommendation**

The LEA's accounting procedures must be modified to record all program salary expenditures as incurred to the appropriate special revenue fund program in accordance with the GAAP Technical Systems Manual.

**6. Certain records were not maintained in accordance with departmental and federal guidelines.**

A review of the district's FY 2014-2015 general ledger disclosed payroll costs of \$9,000 charged to the 200-300 line item for non-instructional personnel. The Uniform Chart of Accounts for New Jersey School Districts (Chart of Accounts), as required by N.J.A.C. 6A:23-2.2(g), designates object code 100, Personnel Services – Salaries to record employee salaries.

**Recommendation**

To facilitate an effective audit, the LEA must revise its coding system to conform to the department's prescribed Chart of Accounts.

**7. Financial records pertaining to the Title I program must be kept in a manner which facilitates an effective audit.**

A reconciliation of the district's FY 2014-2015 general ledger and the Title I, Part A Final Expenditure Report disclose inaccurate reporting. In particular, non-salary expenditures were included in line item 100-000, as illustrated by the table below:

<b>Expenditure Category</b>	<b>General Ledger</b>	<b>Final Report</b>	<b>Difference</b>
100-100	66,367.50	63,525.00	2,842.50
100-500	0.00	1,453.00	(1,453.00)
200-300	9,000.00	10,160.00	(1,160.00)
200-500	146.63	219.00	( 72.37)
200-600	1,260.82	1,418.00	( 157.18)

EDGAR, 34 CFR §80.20, Standards for financial management system states, "Fiscal control must be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes." Furthermore, sub-grantees must use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for Federal funds in accordance with 34 CFR §76.702 and are required to keep records in a manner that facilitates an effective audit pursuant to EDGAR, 34 CFR §76.730(e).

**DEERFIELD TOWNSHIP BOARD OF EDUCATION  
NCLB TITLE I AUDIT  
FISCAL YEAR 2014-2015**

**FINDINGS AND RECOMMENDATIONS**

**Recommendation**

The LEA must improve the procedures utilized to account for expenditures related to the Title I program in accordance with the EDGAR, 34 CFR § 80.20, § 76.702 and §76.730(e).

**8. The LEA did not provide evidence the Parent's Right-to-Know letter was distributed to parents, as required by federal legislation and regulations.**

The district was unable to produce any record showing the Parents' Right-to-Know Highly Qualified Teacher (HQT) letter was distributed to all parents for the 2014-2015 school year. The letter downloaded from the district's website was dated September 2013.

Consistent with Sections 1111(h)(1)(6)(A) and (B)(ii) of ESEA and 34 CFR §200.61(a)(1) and (2) of the Title I Regulations, LEAs that receive Title I, Part A funds are required at the beginning of each school year to inform parents of students attending Title I schools, the parents may request, and the LEA then will provide, certain information on the professional qualifications of the student's classroom teachers and paraprofessionals providing services to the child.

**Recommendation**

The LEA must ensure that Parent's Right-to-Know HQT letters are prepared and distributed annually at the beginning of the school year in accordance with Sections §1111(h)(1)(6)(A) and (B)(ii) of ESEA and 34 CFR §200.61(a)(1) and (2) of the Title I Regulations.



DEERFIELD TOWNSHIP BOARD OF EDUCATION  
NCLB TITLE I AUDIT  
FISCAL YEAR:  
2014-2015

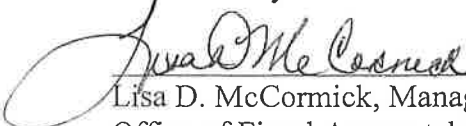
SCHEDULE OF AUDIT RECOVERY DUE TO SEA

<u>Audit Finding</u>	<u>Recovery</u>
Number One	\$1,121.52 <del>\$765.00</del>
Number Two	<u>\$146.63</u>
<b>Total Recovery Due SEA</b>	<u><del>\$1,268.15</del></u> <del>\$911.63</del>

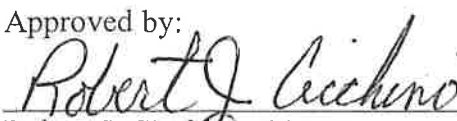
The check is to be made payable to "Treasurer, State of New Jersey" and mailed with the corrective action plan.

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

Submitted by:

  
\_\_\_\_\_  
Lisa D. McCormick, Manager  
Office of Fiscal Accountability and Compliance

Approved by:

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

Auditor

Angela Jefferies

NEW JERSEY DEPARTMENT OF EDUCATION  
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE  
CORRECTIVE ACTION PLAN

NAME OF SCHOOL DISTRICT \_\_\_\_\_ COUNTY Cumberland  
 TYPE OF EXAMINATION \_\_\_\_\_  
 DATE OF BOARD MEETING \_\_\_\_\_  
 CONTACT PERSON \_\_\_\_\_  
 TELEPHONE NUMBER \_\_\_\_\_

Deerfield Township School District  
 Title I, Part A for the period 7/1/14-6/30/15  
 September 28, 2016  
 Melanie M. Allen  
 (856) 451-2804

RECOMMENDATION NUMBER	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
1	The LEA must improve the procedures utilized to account for expenditures related to the Title I, Part A program in accordance with the requirements of 2 CFR §225.	A list will be maintained by the PBSIS Committee that tracks all gift card purchases as follows: Date of purchase, denominations of cards, vendor, date of distribution, person receiving gift card, running balance of cards on hand.	Business Administrator	September 1, 2016
2	The LEA must ensure that its travel policy and payments of any related reimbursements conform to 2 CFR §225 and N.J.A.C. 6A:23A-7.13, et seq.	A new mileage reimbursement form will be developed that will require the following information: starting & ending points (supported by printed directions), reason for travel (name of workshop if applicable), date of travel, date of BoE approval of travel (for workshops if applicable), account number charged. All staff will use the same form and follow the same procedures.	Business Administrator	October 1, 2016
3	The LEA must develop procedures to ensure Title I funded personnel prepare time and activity reports which conform to the requirements of EDGAR, 34 CFR §80.20(b)(6) and 2 CFR §225, Appendix B,	The district shall use the DoE's approved time and activity sheet to document the time spent and activities performed by any staff member whose salary (any amt.) is charged to Title I. The distribution of	Business Administrator & Chief School Administrator	September 1, 2016

NEW JERSEY DEPARTMENT OF EDUCATION  
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE

<u>RECOMMENDATION NUMBER</u>	<u>CORRECTIVE ACTION REQUIRED BY THE BOARD</u>	<u>CORRECTIVE ACTION PLAN METHOD OF IMPLEMENTATION</u>	<u>PERSON RESPONSIBLE FOR IMPLEMENTATION</u>	<u>COMPLETION DATE OF IMPLEMENTATION</u>
4	Sections 8.h.(3) and 8.h.(4).  The LEA must ensure that all Title I employee appointments, including their salaries and funding percentages, are recorded in the Board of Education meeting minutes documenting proper authorization of these expenditures.	time spent performing Title I related activities and general fund (state & local) related activities will be listed at well.  The BoE will be asked to approve the following information regarding any staff member whose salary is charged to Title I: name, grant distinction, salary (\$) charged to grant, corresponding percentage (%) of salary charged to grant, time period. Upon BoE approval, such information will be recorded in the meeting minutes of the BoE.	Business Administrator	October 26, 2016
5	The LEA's account procedures must be modified to record all program salary expenditures as incurred to the appropriate special revenue fund program in accordance with the <u>GAAP Technical Systems Manual</u> .	The salaries of staff who are charged to Title I will be posted to the Title I salary lines on a per pay basis (20 pays).	Business Administrator	September 1, 2016
6	To facilitate an effective audit, the LEA must revise its coding system to conform to the department's prescribed <u>Chart of Accounts</u> .	The Business Administrator will ensure that expenditures are charged to the correct Title I, Part A account number as approved within the district's NCLB application and consistent with the <u>Chart of Accounts</u> guidelines.	Business Administrator	September 1, 2016
7	The LEA must improve the procedures utilized to account for expenditures related to the Title I program in accordance with	APPEAL		

NEW JERSEY DEPARTMENT OF EDUCATION  
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE

RECOMMENDATION NUMBER	CORRECTIVE ACTION REQUIRED BY THE BOARD	<u>CORRECTIVE ACTION PLAN</u>	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
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the EDGAR, 34 CFR §80.20, §76.702 and §76.730 €

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The LEA must ensure that Parent's Right-to-Know HQT letters are prepared and distributed annually at the beginning of the school year in accordance with Sections §1111(h)(1)(6)(A) and (B)(ii) of ESEA and 34 CFR §200.61(a)(1) and (2) of the Title I Regulations.

APPEAL

*Mark T. Jones*

CHIEF SCHOOL ADMINISTRATOR

9/28/16

DATE

*Melanie M. Owen*

BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR

9/28/16

DATE