

STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
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PATERSON PUBLIC SCHOOLS
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American Recovery & Reinvestment Act 2009
New Jersey K-12 Education
ARRA MONITORING REPORT
APRIL 2010

District: Paterson Public Schools
County: Passaic
Case #: ARRA-064-09

FUNDING SOURCES

Program	Funding Award
State Fiscal Stabilization Fund – Education Stabilization Fund	\$ 56,821,186
State Fiscal Stabilization Fund – Government Services Fund	2,199,633
ARRA – Title I	12,200,366
ARRA – Title I SIA	641,228
ARRA – IDEA - Basic	7,576,628
ARRA – IDEA - Preschool	272,022
ARRA Food Service Grant	20,590
Total ARRA Funds	79,731,653
Title I	16,775,208
Title I SIA	229,991
IDEA - Basic	8,402,935
IDEA - Preschool	207,684
Total Non-ARRA Funds	25,615,818
Total Funding	\$105,347,471

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BACKGROUND:

The *American Recovery and Reinvestment Act of 2009 (ARRA)* and other federal laws require local education agencies (LEAs) to provide programs and services to their schools based on the requirements specified in each of the authorizing statutes (ESEA, IDEA and ARRA). The laws further require that state education agencies such as the New Jersey Department of Education (NJDOE) monitor the implementation of federal programs by sub recipients and determine whether the funds are being used by the district for their intended purpose and achieving the overall objectives of the funding initiatives.

INTRODUCTION:

The NJDOE visited the Paterson Public Schools to monitor the district's use of *ARRA* funds and the related program plans, where applicable, to determine whether the district's programs are meeting the intended purposes and objectives, as specified in the current year applications and authorizing statutes, and to determine whether the funds were spent in accordance with the program requirements, federal and state laws, and applicable regulations. The on-site visit included staff interviews and documentation reviews related to the requirements of the following programs: State Fiscal Stabilization Funds (SFSF) including the Education Stabilization Fund (ESF) and Government Services Fund (GSF); Title I; Title I-SIA; ARRA Title I; ARRA Title I-SIA; IDEA Basic; IDEA Preschool; ARRA IDEA Basic; and ARRA IDEA Preschool for the period July 1, 2009, through December 31, 2009. The monitoring also included a review of the district's most recent ARRA section 1512 and SFSF cash management quarterly reports to determine whether ARRA expenditures, jobs estimates and related information were reported accurately.

The scope of work performed included the review of documentation including grant applications, program plans and needs assessments, grant awards, annual audits, board minutes, payroll records, accounting records, purchase orders, and current district policies and procedures. The monitoring team members also conducted interviews with district personnel, reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews.

EXPENDITURES REVIEWED:

The following dollar amounts of expenditures were reviewed for each program monitored for the period of July 1, 2009 through December 31, 2009:

- ESF 100% of expenditures totaling \$25,383,749 were reviewed;
- GSF 100% of expenditures totaling \$637,533 were reviewed;
- Title I 100% of expenditures totaling \$2,071,705 were reviewed;
- Title I-SIA 100% of expenditures totaling \$5,963 were reviewed;
- ARRA Title I 100% of expenditures totaling \$ 2,026,277 were reviewed;
- ARRA Title I-SIA had not been expended at the time of the monitoring visit;
- IDEA Basic 100% of expenditures totaling \$1,637,125 were reviewed;
- IDEA – Preschool 100% of expenditures totaling \$47,298 were reviewed;
- ARRA IDEA Basic 100% of expenditures totaling \$278,543 were reviewed;

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- ARRA IDEA Preschool had not been expended at the time of the monitoring visit; and
- ARRA Food Service Grant 100% of expenditures totaling \$20,590 was reviewed.

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I FUNDS AND IDEA FUNDS

ARRA Title I Projects

The district has identified priority problems affecting all students in their needs assessment. Those listed as critical include: closing the achievement gap, language arts literacy and reading and mathematics. Those priority problems listed as having a high need include a focus on teachers and paraprofessionals receiving professional development in instructional skills and strategies, using data to assess and improve learning and a district effort to improve parent and community involvement. The district also is focusing on developing more effective use of technology in the classroom, while outside they are addressing concerns regarding violence, gang activity and bullying.

The district has elected to use Title I funds for selected programs to address these concerns and is offering extended day and extended year programs, a Saturday Institute, coaching strategies and providing effective professional development aimed at improving technology infusion, differentiated instruction and looking at getting the parents and community more involved to help deal with gangs, violence and bullying. They are actively seeking to improve parent and community involvement to address these concerns from all angles.

The district earmarked more than \$4 million for salaries to hire 45 additional in-class support teachers, as well as adding a Supervisor of Language Arts Literacy. These budgeted amounts are consistent with the district's program plan to focus on the reading and language arts programs and to assist students throughout all funded schools in need of improvement.

In keeping with the goal of using data to drive decision making, the district is looking closely at staff allocations based on a summary report that breaks down the number of students by school that are partially proficient in math, language arts, or both; and assigning coaches and in-class support directly to students in critical needs areas in specific classrooms.

Based on interviews with the staff, the programs and strategies that seem most effective have been Balanced Literacy, Connected Math and Every Day Math.

Professional Development

Professional development is consistent with the district goals and accurate records have been provided as evidence of attendance at these workshops conducted to date. Records indicate that 139 teachers and 16 lead teachers received professional development to engage them more effectively in their after school programs. Funds budgeted for staff development also focuses on those teachers in the Saturday Institute and Saturday Literacy Program. District wide coaches will receive additional support and on-going training as they are assigned to various schools throughout the district to effectively reach those students in most need of academic support.

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Title I-SIA Part A ARRA funds are also being used to provide professional development and improve instructional strategies using the Trophies and Wilson Reading System.

Parent Involvement

Parental involvement efforts are in full force in the district. All of the required documentation is circulated throughout the district in a timely manner as part of a package to reach all parents. The district's website also provides an avenue for parents to discover what is currently happening in the district. There have been several routine back-to-school nights at each school, as well as additional documentation showing attendance at several other functions aimed at increasing parental involvement. The district also has a Parent Resource Center available in the lobby of the board office that offers parents the opportunity to come in at any time and use the available computers, pick up materials and information about upcoming events, SES services and other activities being run by the district. It also operates a mobile parent involvement unit designed to bring closer information to the community and concerned parents who may not otherwise make the effort to transport themselves to the board office or school.

Instructional Supplies

Budget supplies are consistent with the Title I programs being implemented and are allowable. They align with the district's needs assessments and program plan and support educational practices throughout the district.

Equipment

There are no budgeted entries made for equipment in the district's application.

IDEA and ARRA IDEA Projects

The district has decided to utilize the funds for out-of-district tuition, professional development, additional teachers and paraprofessional staff for in-class resource for the high schools, renovation of Labs (split funding) and the refurbishing of classrooms (split funding).

The NJDOE has questioned the use of some of the renovation expenditures. The district is in the process of revising the plans to conform to the grant requirements and regulations.

The district submitted an ARRA IDEA plan and IDEA grant that has not received final approval at this time. Discussion and review of the ARRA IDEA plan and IDEA grant indicate that the district has planned to utilize the funds for the following projects: employment of staff to permit opening additional special education classes and thereby reducing the need for additional out-of-district placements; employment of special education teachers at Eastside and John F. Kennedy High Schools in order to establish inclusion classes in which special education teachers and core curriculum content teachers jointly provide instruction; to provide partial payment for providing synergistic instructional laboratory systems for mathematics and science classes at Eastside and John F. Kennedy High Schools; purchase of technology; professional development for district

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staff; instructional supplies; provision of consultants working directly with students; provision of the Coordinated Early Intervening Services (CEIS); and provision of services to nonpublic students.

The monies allocated for special education students and students who participate in CEIS activities are designed to increase student performance in academics and participation in the least restrictive environment. The addition of staff to address inclusive education at the high school level is responsive to the identified needs targeted by the OSEP monitoring. Expansion of in-district opportunities will also decrease out-of-district placements. The professional development activities provide specialized instructional techniques to district staff. These intensive reading and mathematics programs are designed to directly address student weaknesses in these areas.

The district has established a variety of methods designed to address the impact of student success. Pre and post testing as well as parent and teacher reports verify the impact of the new programs. The inclusion classes are designed to address statewide graduation testing requirements and decrease dropout rates.

The district's expectations will be assessed by the decrease in out-of-district placements, as well as by teacher and parent surveys. Further, the use of technology to enhance instruction will be reflected in the observations and lessons of the teachers.

CEIS

The district was required to initiate CEIS services due to disproportionality issues for the past few years. The CEIS plans were approved by the NJDOE, Office of Special Education Programs. The current program serves about 300 students. The staff in the CEIS program was trained starting in April 2009 in the Wilson Reading Program and the Waterford Mathematics Program. Further, district classroom teachers who would be serving these students were also trained. The program was initiated during the summer of 2009 and on Saturdays of the current school year. Positive responses to the program have been observed by parents, staff and the students. Several students who participate consistently were on the honor roll. The district is able to provide the CEIS program to about 1,500 students. Discussions with the district note that an analysis of the program to date indicates a need to expand the program to serve more students. An extension of the school day is being considered. Further, email communication between the CEIS staff and the students' teachers is being implemented to ensure consistency and reinforcement.

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DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1:

Condition: It did not appear that the mobile parent unit was being used as effectively as possible. When asked, the district was not certain exactly where it was and no specific plan was provided for the activities and purposes for which it was intended. Expenditures related to this mobile unit were also inconsistent and this finding is addressed more in detail in the fiscal section of the report.

Citation: NCLB§1118(a)(2)(d-f): *Parental Involvement*.

Recommended Action: From a program perspective, this mobile unit in conjunction with the parent resource center could be used more effectively. Records should be kept as to the unit's location and the materials it requires and should be actively distributing. A schedule of exactly where it will be located each day should be distributed so that parents know when it will be in their neighborhood. Staffing and inventories on board should be consistent with Parent Involvement goals and objectives each time the unit goes into the community.

Finding 2:

Condition: The district paid invoices with federal funds that did not have the necessary supporting documents. Examples include: invoice amounts with accompanying descriptions such as "SES programs for one hour sessions at six sessions per weekend," or "one child attending for six instructional hours for about 10 weeks in November 2009" along with questionable attendance records.

Citation: EDGAR, PART 80.20--*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Section 20, Standards for financial management systems.

Required Action: A closer review of SES providers should be conducted and more accurate records should be kept to reflect and prove the student's actual attendance at all SES tutoring sessions. The district should include a required attendance component in future SES contracts and align payment authorization with appropriate documentation. Fiscal recommendations are also made in this report specifically with respect to Catapult Learning LLC (Catapult). **As a result of the finding this issue was referred for further investigation by the Office of Fiscal Accountability and Compliance.**

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IDEA

Finding 1:

Condition: The district was not in compliance with services to nonpublic schools with regard to their contract with the outside provider as there is no mechanism to verify that services have been delivered as per the student service plans.

Citation: IDEA Regulation 34 CFR 300 and 301 (Assistance to States for the Education of Children with Disabilities and Preschool Grants for Children with Disabilities).

Required Action: The district must establish policies and procedures consistent with IDEA regulations. These procedures need to include a formal mechanism to verify services to nonpublic students. They also need to develop an administrative oversight procedure to ensure that service plans meet current eligibility requirements and that services are consistent with student needs. The district needs to revise its contract to include a verification system that documents the time and activity of the outside providers.

Finding 2:

Condition: The district does not have the required supporting documents to verify the activity of ARRA IDEA and IDEA funded staff as required by federal law.

Citation: OMB Circular A-87, Attachment B, Section 8(h); cost Principles for State, Local and Indian Tribal Governments (Compensation for personal services).

Required Action: The district must verify the time and activity of staff charged to the grant. The district must submit a list of 2009-2010 ARRA IDEA and IDEA funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review.

SFSF FUNDS

Finding 1:

Condition: The district's cash management report does not tie into the general ledger or board secretary report as of December 31, 2009.

Citation: EDGAR, PART 80- *Uniform Administration Requirements for grants and cooperative agreements to state and local governments*, Section 20, Standards for financial management systems.

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Recommended Action: The district must have a formal tracking of SFSF funding. Amounts submitted with quarterly cash management reports should be reconciled to the district's accounting records.

Finding 2:

Condition: The district could not provide a detailed schedule of benefits charged to SFSF funding that agreed to the amount reported on their cash management report.

Citation: EDGAR, PART 80- *Uniform Administration Requirements for grants and cooperative agreements to state and local governments*, Section 20, Standards for financial management systems.

Required Action: The district must maintain documentation to support charges to SFSF funding.

Financial Management and Reporting Findings and Recommendations

Finding 1:

Condition: The district failed to issue a purchase order to a consultant prior to services being rendered (confirming order). The district contracted with Catapult to provide instructional and administrative services during the district's summer program from July 1, 2009 through August 28, 2009 at a cost of \$112,992. The district did not issue a purchase order to Catapult until August 27, 2009. District policy and state regulations require that a properly executed purchase order be issued prior to services being rendered.

Citation: N.J.S.A 18A:18A (2)(v) *Public School Contracts Law*.

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

Finding 2:

Condition: The district violated New Jersey Public School Contracts Law (PSCL) by failing to publicly bid a consulting contract issued to Catapult to provide a van and "Parent Coordinator" for a mobile parent outreach center. The contract, executed on August 12, 2009, was for a total of \$41,461, above the PSCL bid threshold of \$29,000. The district inappropriately claimed that the contract was exempt from bidding under the professional service exception.

Citation: N.J.S.A 18A:18A-4 *Contracts and agreements requiring advertising*.

Required Action: The district must comply with current federal and state procurement regulations. In addition, the district should establish contract files which contain

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documentation that demonstrates that the district has complied with procurement regulations and costs are reasonable.

Finding 3:

Condition: A consultant (Catapult) was paid for services which were not provided. The district's contract states that the "Consultant agrees to provide one mobile van equipped in accordance with state and federal regulations and that said van will contain instruction materials and equipment available for use by parents of nonpublic school students in the District two hours per day Monday through Friday." The van used by the consultant was purchased by and is owned by the Paterson Public Schools. Since the consultant did not provide a van, full payments under this contract should not have been made.

Citation: N.J.S.A. 18A:19 *Expenditure of Funds; Audit and Payment of Claims.*

Required Action: Future payment under the contract should be adjusted for the vendor's failure to provide a vehicle. The district should seek reimbursement for past payments.

Finding 4:

Condition: The district failed to place notice in a newspaper when a professional services contract was awarded without bidding as required by PSCL.

Citation: N.J.S.A. 18A:18A-5(1) *Exceptions to requirement for advertising.*

Required Action: The district must comply with PSCL and place a notice in an official newspaper each time a contract is awarded without bidding under the professional services exemption.

Finding 5:

Condition: The costs associated with the rental of temporary classroom units were charged to the incorrect general ledger account. The rent payments were charged to "purchased professional services" rather than to "facilities rental."

Citation: Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Required Action: Expenditures should be charged to the correct general ledger account in accordance with the Uniform Chart of Accounts. Those expenditures charged to the wrong account should be reclassified.

Recommendation 1: Although the district does not have formal written policies for requesting reimbursement from the Electronic Web Enabled Grant (EWEG) system, the district's practices for requesting reimbursement were verified through questions concerning the district's internal controls.

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Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for Financial Management Systems.

Recommended Action: The district must have a formal board policy concerning the reimbursement of grant funds and should submit this to the NJDOE for review.

The NJDOE thanks you for your time and cooperation during the monitoring visit and looks forward to a successful resolution of all findings and implementation of all recommendations contained in this report.

If you have any questions, please contact Steve Hoffmann via phone at (973) 621-2750 or via email at steven.hoffman@doe.state.nj.us.

State of New Jersey
Department of Education
Office of Fiscal Accountability and Compliance

**PROCEDURES FOR LEA/AGENCY RESPONSE
CORRECTIVE ACTION PLAN AND APPEAL PROCESS**

Resolution:

Pursuant to N.J.A.C. 6A:23A-5.6, within 30 days of receipt of the report, the board of education must discuss the findings of the report at a public meeting of the board. Within 30 days of the public meeting, the board must adopt a resolution certifying that the findings were discussed in a public board meeting and approving a corrective action plan to address issues raised in the undisputed findings and/or appeal of any findings in dispute. Within 10 days of adoption of the resolution by the board, such resolution together with the approved corrective action plan and/or appeal must be submitted to the Office of Fiscal Accountability and Compliance. The findings of the Office of Fiscal Accountability and Compliance's report and the board of education's corrective action plan must be posted on the district's website.

Corrective Action Plan:

The corrective action plan is to be used when the LEA/Agency is in agreement with any of the findings. To contest a finding the appeal process must be used. After the appeal is settled a corrective action plan must be filed for any finding upheld during the appeal process.

The corrective action plan must be prepared by completing the attached form. The LEA/Agency must submit the following information:

- Recommendation number
- Corrective action (approved by the board)
- Method of implementation
- Person responsible for implementation
- Completion date of implementation

If the corrective action plan is acceptable, a letter will be sent to the LEA/Agency indicating that it has been accepted.

If the corrective action plan is not acceptable, a letter will be sent to the LEA/Agency indicating whether further clarification is required or further action is necessary.

Appeal Process:

The appeal process is used to contest findings.

Within 10 days of the board's adoption of the resolution approving an appeal of the findings of the report, a written request by the LEA/Agency to review the "aggrieved" findings, recommendations or questioned costs must be submitted to the director, Office of Fiscal Accountability and Compliance. The notice of appeal must indicate the findings to be appealed.

The appeal itself may be written or a hearing may be scheduled so that the LEA/Agency can present its case. In either instance, documentation must be presented supporting the appeal. The director, Office of Fiscal Accountability and Compliance will issue a written decision.

If the decision is unsatisfactory to the LEA/Agency, the LEA/Agency may, within 10 calendar days, file a notice of appeal to the Chief of Staff.

If the final determination made by the Chief of Staff, is still unsatisfactory to the LEA/Agency, the LEA/Agency may access the formal appeal process described in N.J.A.C. 6A:3-1.3.

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

SCHOOL DISTRICT NAME _____ COUNTY _____

TYPE OF EXAMINATION: _____

DATE OF BOARD MEETING: _____

CONTACT PERSON _____

TELEPHONE NUMBER _____ FAX NUMBER _____

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION

Chief School Administrator _____ Date _____ Board Secretary/Business Administrator _____ Date _____

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

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic

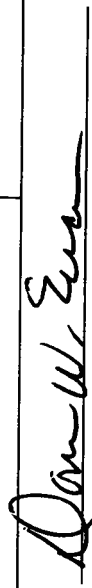
TYPE OF EXAMINATION: ARRA /IDEA Monitoring Report

DATE OF BOARD MEETING: May 19, 2010

CONTACT PERSON: Beatrice Quiroz

TELEPHONE NUMBER: (973) 321-0619 FAX NUMBER: (973) 321-2334

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>TITLE 1 - Required Action 2</u> A closer review of SES providers should be conducted and more accurate records should be kept to reflect and prove the student's actual attendance at all SES tutoring sessions. The district should include a required attendance component in future SES contracts and align payment authorization with appropriate documentation. Fiscal recommendations are also made in this report specifically with respect to Catapult Learning LLC.</p>	<p>Appealing the audit finding. We have all documentation to show that accurate records are kept and the required attendance component is included in the contract. Please see attached (exhibit B1, B2,B3,B4)</p>		<p>Assistant Superintendent of Academic Support and NCLB (NCLB Program Manager & Coordinator of Special Funding)</p>	


Chief School Administrator

May 25, 2010
Date



Board Secretary/Business Administrator

May 25, 2010
Date

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

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic
 TYPE OF EXAMINATION: ARRA /IDEA Monitoring Report
 DATE OF BOARD MEETING: May 19, 2010
 CONTACT PERSON: Richard J. Tolerico
 TELEPHONE NUMBER: (973) 321-2322 FAX NUMBER: (973) 321-2325

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>IDEA - Required Action 1</u></p> <p>The district must establish policies and procedures consistent with IDEA regulations. These procedures need to include a formal mechanism to verify services to non-public students. They also need to develop an administrative oversight procedure to ensure that service plans meet current eligibility requirements and that services are consistent with student needs. The district needs to revise its contract to include a verification system that documents the time and activity of the outside providers.</p>	<p>The District will provide oversight consistent with IDEA regulations. These procedures will include a formal procedure consisting of a monthly progress report to be completed for each student by both the service provider and the Non-Public School Administrator. The progress report will indicate student progress achieved each month in order to meet the current eligibility requirements and to ensure services are consistent with student needs. The District will also revise contract(s) to include a statement of verification and a system that will document the time and activity of the outside providers.</p>	<p>The District will ensure proper procedures are followed. A Student Monthly Progress Report Form will be provided to both the service provider and the Non-Public School Administrators.</p> <p>Results of monthly progress will be submitted to the Director of Out-Of-District Placements. In addition, the Director will make periodic visits to the non-public schools to verify that the eligible services are being provided in accordance with the needs of the student.</p> <p>The District will also revise contracts so that they include a section requiring documentation to verify that the services have been rendered. And, the contracts will provide for verification of time and activity of the Out-Of-District providers.</p>	<p>Assistant Superintendent of Curriculum and Instruction (Executive Director of Special Education & Director of Out-Of-District Placements)</p>	<p>June, 2010</p>


 Chief School Administrator


 Board Secretary/Business Administrator

May 25, 2010
 Date

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

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic

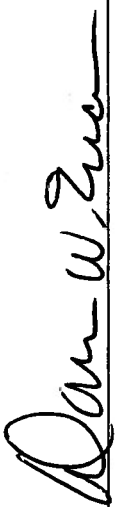
TYPE OF EXAMINATION: ARRA MONITORING REPORT


DATE OF BOARD MEETING: May 19, 2010

CONTACT PERSON: Josephine Arrington

TELEPHONE NUMBER: 973-321-0638 FAX NUMBER: 973-321-0489

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>IDEA - Required Action 2</u> The district must verify the time and activity of staff charged to the grant. The district must submit a list of 2009-2010 ARRA IDEA and IDEA funded staff salaries, funding percentages and time sheets to date to the NJDOE for review.</p>	<p>The required documentation to verify the time and activity of staff will be maintained in the office of the Fiscal Monitor of Special Education or designee. The information received will be sent to the New Jersey Department of Education for review.</p>	<p>The district will ensure that the required documents are maintained and are available for review. Copies of these documents will be given to the Assistant Superintendent of Curriculum and Instruction and submitted to the New Jersey Department of Education for review.</p>	<p>Assistant Superintendent of Curriculum and Instruction (Executive Director of Special Education & Director of Out-Of-District Placements)</p>	<p>June 2010</p>


Chief School Administrator


Board Secretary/Business Administrator

May 25, 2010
Date

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

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic

TYPE OF EXAMINATION: ARRA /IDEA Monitoring Report

DATE OF BOARD MEETING: May 19, 2010

CONTACT PERSON: Accounting Manager

TELEPHONE NUMBER: (973) 321-0772 FAX NUMBER: (973) 321-0899

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>SFSF FUNDS - Required Action 1</u> The district must have a formal tracking of SFSF funding. Amounts submitted with quarterly cash management reports should be reconciled to the district's accounting records.</p>	<p>To develop quarterly reconciliations of cash management reports to the districts ledger data for monitoring purposes.</p>	<p>Accounting Manager will prepare cash management reports using latest ledger data prior to report submission date to be followed by a restatement for monitoring purposes that will reconcile pre-closing accounting data to final account closing statistics. The cash management based on quarter-ending final accounting details will be maintained on file per records retention requirements.</p>	<p>Assistant Superintendent of Business Services (Accounting Manger)</p>	<p>June 2010 (revising the April 30th quarterly report)</p>

Don W. Egan
Chief School Administrator

[Signature]
Board Secretary/Business Administrator

May 25, 2010
Date

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

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic
 TYPE OF EXAMINATION: ARRA /IDEA Monitoring Report
 DATE OF BOARD MEETING: May 19, 2010
 CONTACT PERSON: Olga Reyes
 TELEPHONE NUMBER: (973) 321-2307 FAX NUMBER: (973) 321-0114

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>SFSF FUNDS - Required Action 2</u></p> <p>The district could not provide a detailed schedule of benefits that agreed to the amount reported on the cash management report.</p> <p>The district must maintain documentation to support charges to SFSF funding.</p>	<p>The district's Benefits Department will extract detailed benefit reports identifying ARRA employees and their respective benefits from the HR database on a monthly basis and ensure that the benefits charged to ARRA funds agree with the on the Cash Management report for the period reported. . Discrepancies will be identified and corrected.</p>	<p>Human Resources' benefits staff will provide a database extract providing employee and benefit details monthly for fund 16 that will agree with the premium payments. HR will ensure that these amounts are in agreement with ledger amounts monthly via Supervisor of Health Benefits and Coordinator Personnel/Position Control.</p>	<p>Assistant Superintendent of Operations (Interim Director Human Resources)</p>	<p>May 31, 2010</p>

Olga Reyes Chief School Administrator
[Signature] Board Secretary/Business Administrator
 May 25, 2010 Date
 May 25, 2010 Date

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

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic

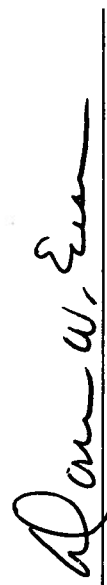
TYPE OF EXAMINATION: ARRA MONITORING REPORT

DATE OF BOARD MEETING: May 19, 2010

CONTACT PERSON: Madeline Roman

TELEPHONE NUMBER: 973-321-2329 FAX NUMBER: 973-321-2334

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>Financial Management and Reporting - Required Action 1</u> The district failed to issue a purchase order to a consultant prior to services being rendered (confirming order). Purchase orders should be issued to all vendors prior to goods or services being provided</p>	<p>Purchase orders should be issued to all vendors prior to goods or services being provided</p>	<p>Purchase orders will be issued timely to all vendors prior to goods or services being provided. The NCLB Program Manager will develop a list of all Board Resolutions related to Non-Public and SES, and update the list on a monthly basis in order to place requisitions that have been Board approved and prior to services rendered. This list will be provided to the Director of NCLB and the Assistant Superintendent of Academic Support Programs in order to approve requisitions and avoid confirming orders.</p>	<p>Assistant Superintendent of Academic Support/ NCLB (NCLB Program Manager)</p>	<p>May 2010</p>


Chief School Administrator


Board Secretary/Business Administrator

May 25, 2010
Date

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

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic


TYPE OF EXAMINATION: ARRA /IDEA Monitoring Report

DATE OF BOARD MEETING: May 19, 2010


CONTACT PERSON: Purchasing Supervisor

TELEPHONE NUMBER: (973) 321-0735 FAX NUMBER: (973) 321-0899

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>Financial Management and Reporting - Required Action 2</u></p> <p>District violated Public School Contract Law by failing to publicly bid a consulting contract that provided a van and parent coordinator for an outreach center.</p> <p>The district must comply with current federal and state procurement regulations. The district should establish contract files which contain documentation that demonstrates that the district has complied with procurement regulations and costs are reasonable.</p>	<p>Purchasing Standard Operating Procedures (SOP) will be modified to ensure that, prior to the request to purchases of goods and/or services, there shall be sufficient detail to enable the determination of bidding vs. exempt from bidding status following federal and state code, validated by legal counsel.</p> <p>All contracts executed through the Purchasing department will be maintained in Purchasing files.</p>	<p>Purchasing Supervisor will update SOP manual to reflect changes to processes that affect purchases under federal standards.</p> <p>District's legal counsel will provide guidance on methods of procurement other than closed bids</p> <p>Purchasing will be responsible to secure all ARRA contracts and others financed with federal funds; SOP will be updated to reflect this change.</p>	<p>Assistant Superintendent of Business Services (Purchasing Supervisor)</p> <p>Assistant Superintendent of Operations (Legal Counsel)</p> <p>Assistant Superintendent of Business Services (Purchasing Supervisor)</p>	<p>May 28, 2010</p> <p>May 28, 2010</p> <p>May 28, 2010</p>


Chief School Administrator

May 25, 2010
Date


Board Secretary/Business Administrator

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

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic

TYPE OF EXAMINATION: ARRA MONITORING REPORT

DATE OF BOARD MEETING: May 19, 2010


CONTACT PERSON: Madeline Roman

TELEPHONE NUMBER: 973-321-2329 FAX NUMBER: 973-321-2334

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>Financial Management and Reporting - Required Action 3</u></p> <p>A consultant (Catapult) was paid for services which were not provided.</p> <p>Future payments under the contract should be adjusted for the vendor's failure to provide a vehicle. The district should seek reimbursement for past payments.</p>	<p>Since neither party envisioned the provision of a vehicle to be provided by consultant the district will revise the contract to reflect the original intent of the agreement to provide materials, workshops and a parent coordinator/driver to non public student parents.</p>	<p>The district will be more careful when reviewing the contract for proper wording.</p> <p>District will revise the contract for execution by both parties to be Board approved June 16, 2010.</p>	<p>Assistant Superintendent of Academic Support/ NCLB (NCLB Program Manager)</p>	<p>June 2010</p>


Chief School Administrator

May 25, 2010
Date


Board Secretary/Business Administrator

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

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic


TYPE OF EXAMINATION: ARRA /IDEA Monitoring Report

DATE OF BOARD MEETING: May 19, 2010

CONTACT PERSON: Purchasing Supervisor

TELEPHONE NUMBER: (973) 321-0896 FAX NUMBER: (973) 321-0899

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>Financial Management and Reporting - Required Action 4</u> The district must comply with Public School Contracts Law and place a notice in an official newspaper each time a contract is awarded without bidding under the professional services exemption.</p>	<p>Purchasing Department will modify procedures to include the review all board contract resolutions in advance of Board agenda-setting; identify pending resolutions that may result in the need to advertise those awarded without bidding; and obtain legal concurrence on compliance with statute. Contracts determined to be in compliance with the professional services exemption will be advertised consistent with 18A:18A-5 (a).</p>	<p>Purchasing Supervisor will update Standard Operating Procedure to require Purchasing/Legal approval of Professional services contracts to assure compliance with Public Schools Contract Law. Professional services contracts determined to be compliant with code will be printed once, in an official newspaper, a brief notice stating the nature, duration, service and amount of the contract and its availability for public review.</p>	<p>Assistant Superintendent of Business Services (Purchasing Supervisor)</p> <p>Assistant Superintendent of Business Services (Purchasing Supervisor)</p>	<p>May 28, 2010</p> <p>May 28, 2010</p>


Chief School Administrator

May 25, 2010
Date


Board Secretary/Business Administrator

May 25, 2010
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**NEW JERSEY DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
CORRECTIVE ACTION PLAN**

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic

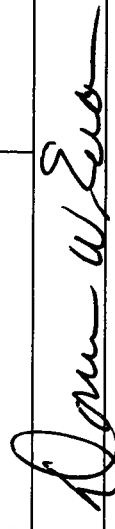
TYPE OF EXAMINATION: ARRA /IDEA Monitoring Report

DATE OF BOARD MEETING: May 19, 2010

CONTACT PERSON: Beatrice Quiroz

TELEPHONE NUMBER: (973) 321-0619 FAX NUMBER: (973) 321-2334

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>Financial Management and Reporting - Required Action 5</u></p> <p>The cost associated with the rental of temporary classroom units were charged to the incorrect general account ledger.</p> <p>Expenditures should be charged to the correct general ledger account in accordance with the Uniform Chart of Accounts. Those expenditures charged to the wrong account should be reclassified.</p>	<p>The Grant will be amended to reflect Capital Expense. Two purchase orders already exist and delineate the cost of Capital Expense and cost for providing Educational Services.</p>	<p>The District will reclassify the expenditure to reflect the proper account in accordance with the Uniform Chart of Accounts.</p> <p>The Grant will be amended to reflect the proper account.</p>	<p>Assistant Superintendent of Academic Support and NCLB (NCLB Program Manager)</p>	


Chief School Administrator


Board Secretary/Business Administrator

May 25, 2010
Date

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

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic


TYPE OF EXAMINATION: ARRA /IDEA Monitoring Report

DATE OF BOARD MEETING: May 19, 2010

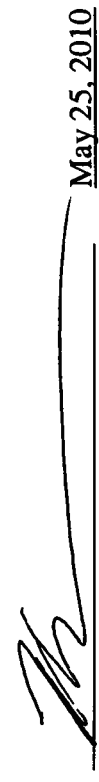
CONTACT PERSON: School Business Administrator

TELEPHONE NUMBER: (973) 321-0896 FAX NUMBER: (973) 321-0899

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>Financial Management and Reporting – Recommendation 1 – Recommended Action</u></p> <p>The district must have a formal board policy concerning the reimbursement of grant funds and should submit this to the NJDOE for review.</p>	<p>The district will develop a policy covering the reimbursement of grant funds for Board of Education consideration and approval, after which it will be sent to the NJ Department of Education for review. Subsequent revisions will follow the customary Board Policy committee process.</p>	<p>The Accounting Manager will prepare a proposed policy based on code and other factors for submission to the Board Policy committee, after committee review it will be introduced to the Board for first and second readings. The adopted version will be sent to NJDOE for their review with any changes necessary being re-processed through the Policy Committee and Board.</p>	<p>Assistant Superintendent of Business Services (Accounting Manager)</p>	<p>September 1, 2010</p>


Chief School Administrator

May 25, 2010
Date


Board Secretary/Business Administrator

May 25, 2010
Date