



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

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

KIMBERLEY HARRINGTON
Acting Commissioner

December 22, 2016

Dr. Ernest Palestis, Interim Superintendent
Fair Lawn School District
37-01 Fair Lawn Avenue
Fair Lawn, NJ 07410

Dear Dr. Palestis:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the Fair Lawn School District. The funding source reviewed was the Individuals with Disabilities Education Act. The review covered the period July 1, 2015 through October 31, 2016. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued Consolidated Monitoring Reports will be posted on the department's website at <http://www.state.nj.us/education/compliance/monitor/>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Fair Lawn School District 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 monetary findings in dispute (emphasis added). 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. 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.

By copy of this report, your auditor is requested to comment on all areas of noncompliance and recommendations in the next certified audit submitted to the New Jersey Department of Education. If you have any questions, please contact Steven Hoffmann at (973-621-2750).

Sincerely,

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

RJC/SH/I:\FAIR LAWN CM COVER LETTER.DOC
Enclosures

www.nj.gov/education

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**STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
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FAIR LAWN SCHOOL DISTRICT
37-01 FAIR LAWN AVENUE
FAIR LAWN, NJ 07410
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
JANUARY 2017**

District: Fair Lawn School District
County: Bergen
Dates On-Site: November 29 and 30, 2016
Case #: CM-002-16

FUNDING SOURCES

IDEA Basic		\$1,106,536
IDEA Preschool		36,028
	Total Funds	<hr/> <hr/> <u>\$1,142,564</u>

**FAIR LAWN SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
JANUARY 2017**

BACKGROUND

The Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Act (IDEA) and other federal laws require that districts provide programs and services based on the requirements specified in each of the authorizing statutes (i.e., ESEA, IDEA, and Carl D. Perkins). 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. Due to the impending implementation of new ESSA regulations, only IDEA and Special Education will be reviewed during consolidated monitoring.

INTRODUCTION

The NJDOE visited the Fair Lawn School District to monitor the district's use of federal 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: IDEA Basic and Preschool for the period July 1, 2015 through October 31, 2016.

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 an interview of the program administrator regarding the IDEA grant, as well as current district policies and procedures. The monitoring team members also conducted interviews with school personnel, reviewed documentation for a sample of expenditures and conducted internal control reviews.

EXPENDITURES REVIEWED

The grants reviewed included IDEA Basic and Preschool from July 1, 2015 through October 31, 2016. A sampling of purchase orders and/or salaries was taken from each program reviewed.

**FAIR LAWN SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
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GENERAL OVERVIEW OF USE OF IDEA FUNDS

IDEA Projects

The FY 2015-2016 and 2016-2017 IDEA Basic and Preschool funds are being used to reduce district tuition costs for students receiving special educational services in approved private schools for students with disabilities. In addition, the district is utilizing funds for services to students in local nonpublic schools.

DETAILED FINDINGS AND RECOMMENDATIONS

IDEA

Finding 1: The district did not ensure that hours charged by consultants to the IDEA grant are in fact provided to appropriately identified students. For example, the district could not provide documentation that consultants charged to the preschool grant were in fact providing services to students age 3-5.

Citation: 2 CFR §200.302.

Required Action: The district must assure that the funds are used solely for authorized services and are supported by appropriate documentation.

Finding 2: The district did not ensure that bills submitted by consultants who were charged to the IDEA grant were verified prior to payment. For example, for 17 days of work in the month of January 2016, only four days had the required supervisor approval.

Citation: 2 CFR §200.302.

Required Action: The district must maintain effective internal controls, to include supervisor approval, over the grant to provide reasonable assurance that the district is managing the grant in compliance with statutes.

Administrative

Finding 3: On several occasions, the district failed to issue a purchase order prior to goods being purchased or services being rendered (confirming order). District policy and state regulations require that a properly executed purchase order be issued prior to the purchase of goods or the rendering of services.

Citation: Uniform Grant Guidance 2 CFR §200.302; 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.

**FAIR LAWN SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
JANUARY 2017**

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 Steven Hoffmann via phone at (973) 621-2750 or via email at steven.hoffmann@doe.state.nj.us.