



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

Ms. Kim Brock, President  
Board of Trustees  
Academy Charter High School  
1725 Main Street  
Lake Como, NJ 07719

Dear Ms. Brock:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the Academy Charter High School. The funding source reviewed was the Individuals with Disabilities Education Act. The review covered the period July 1, 2015 through November 16, 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 Charter School Response, Corrective Action Plan and Appeal Process," the Academy Charter High School Board of Trustees 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 school'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 Kathryn Holbrook at (609) 292-0198.

Sincerely,

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

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Enclosures

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

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**STATE OF NEW JERSEY  
DEPARTMENT OF EDUCATION  
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**ACADEMY CHARTER HIGH SCHOOL**  
1725 MAIN STREET  
LAKE COMO, NJ 07719  
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*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
JANUARY 2017**

**District:** Academy Charter High School  
**County:** Monmouth  
**Dates On-Site:** November 16, 17, and 18, 2016  
**Case #:** CM-036-16

**FUNDING SOURCES**

Program	Funding Award
IDEA Basic	\$ 52,092
Total Funds	<u>\$ 52,092</u>

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**BACKGROUND**

The Individuals with Disabilities Act of 2004 (IDEA) and other federal laws require local education agencies (LEAs) to provide programs and services to their districts based on the requirements specified in each of the authorizing statutes. 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 Academy Charter High School to monitor the school's use of federal funds and the related program plans, where applicable, to determine whether the school'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 IDEA Basic program for the period July 1, 2015 through November 16, 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 current school policies and procedures. The monitoring team members reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews as well as conducted interviews with program administrators and other school personnel as required. Additionally, the IDEA grant review included a review of student records, classroom visitations and interviews with instructional staff to verify implementation of Individualized Education Programs (IEP), a review of student class and related service schedules, and interviews of child study team members and speech-language specialists.

**EXPENDITURES REVIEWED**

The IDEA grant review included a sampling of purchase orders taken from the entire population and later identified as to the IDEA grant for the period July 1, 2015 through November 16, 2016.

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**GENERAL DISTRICT OVERVIEW OF USES OF IDEA GRANT FUNDS**

**IDEA Projects**

The FY 2016 IDEA funds were used to fund the salaries and benefits of child study team members and related services providers. Additional IDEA funds were used to purchase supplies for students with disabilities.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**IDEA (Special Education)**

**Finding 1:** The school did not consistently document required participants were in attendance at eligibility meetings, IEP meetings and reevaluation planning meetings for students eligible for special education and related services.

**Citation:** N.J.A.C. 6A:14-2.3(k)1(i-vii). 20 U.S.C. §1414(d)(1)(B). 34 CFR §300.321(a).

**Required Action:** The school must ensure that meetings are conducted with required participants and that documentation of attendance and/or written parental consent to excuse a member of the team is maintained in student files. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff and review meeting documentation for meetings conducted between June 2017 and October 2017, and to review the oversight procedures.

**Administrative**

**Finding 2:** A school purchase order and vendor invoice for consulting service included the student's name which violates student confidentiality.

**Citation:** 34 CFR Part 99: Family Educational Rights and Privacy. 34 CFR §300.610-627: Confidentiality of Information. N.J.A.C. 6A:32-7: Student Records.

**Required Action:** The school should adopt/revise procedures to ensure that confidentiality of student information is maintained and that only persons having educational responsibility for those students have access to this information.

**Finding 3:** The school's standard operating procedures did not include formal written internal control policies and procedures to prevent contracting with suspended and debarred vendors.

**Citation:** 2 CFR §200.318(h): General procurement standards and 200.326(l): Contract provisions (Debarment and suspension).

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**Required Action:** The school should adopt a written policy and procedure to ensure compliance with current state and federal procurement regulations.

**Finding 4:** The funds allocated for the FY 2015-2016 IDEA grant in the school's accounting records could not be reconciled with corresponding amounts budgeted in the Electronic Web Enabled Grant (EWEG) system. In addition, the school incorrectly posted expenditures for professional development registration fees to line item 200-300, Non-Instructional Professional and Technical Services, instead of to line item 200-500, Non-Instructional Other Purchased Services.

**Citation:** 2 CFR §200.302(b)(3): Financial management. 34 CFR §76.730(e): Records related to grant funds. N.J.A.C. 6A:23A-16.2(f)(1): Principles and directives for accounting and reporting.

**Required Action:** The school should implement a process to ensure amounts awarded through a grant are recorded appropriately in the financial records.

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 Kathryn Holbrook via phone at (609) 292-0198 or via email at [kathryn.holbrook@doe.state.nj.us](mailto:kathryn.holbrook@doe.state.nj.us).