



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

February 16, 2017

Mr. Richard Tardalo, Superintendent  
Clifton Public School District  
745 Clifton Avenue  
Clifton, NJ 07013

Dear Mr. Tardalo:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the Clifton Public School District. The funding source reviewed was the Individuals with Disabilities Education Act. The review covered the period July 1, 2015 through December 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 Clifton Public 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

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Enclosures

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

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**STATE OF NEW JERSEY  
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PO BOX 500  
TRENTON, NJ 08625-0500**

**CLIFTON PUBLIC SCHOOLS**  
745 CLIFTON AVENUE  
CLIFTON, NJ 07013  
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*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
FEBRUARY 2017**

**District:** Clifton Public Schools  
**County:** Passaic  
**Dates On-Site:** January 24, 2017  
**Case #:** CM-042-16

**FUNDING SOURCES**

IDEA Basic		\$547,692
IDEA Preschool		83,640
Total Funds		<u>\$631,332</u>

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**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 Every Student Succeeds Act regulations, only IDEA and Special Education will be reviewed during consolidated monitoring.

**INTRODUCTION**

The NJDOE visited the Clifton Public Schools 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 program: IDEA Basic for the period July 1, 2015 through December 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 IDEA Basic grant was reviewed from July 1, 2015 through December 31, 2016. A sampling of purchase orders and/or salaries were reviewed.

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**GENERAL OVERVIEW OF USE OF IDEA FUNDS**

**IDEA Projects**

In FY 2017, the majority of the IDEA Basic funds were used to reduce district tuition costs for students receiving special education and related services in approved private schools for students with disabilities. Both IDEA Preschool and Basic funds were used for salaries and benefits of instructional staff, to purchase instructional supplies and materials, and for contracted related service providers.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**IDEA**

A review of the expenditures charged to the IDEA grant yielded no findings.

**Administrative**

**Finding 1:** 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.

**Finding 2:** The district charged some IDEA grant expenditures to the incorrect general ledger accounts. Some salaries were incorrectly charged to account 200-320, Purchased Professional Services, rather than to a salary account. Some Purchased Professional Services were incorrectly charged to salaries. In addition, one purchase of equipment was incorrectly charged to a supplies account.

**Citation:** Uniform Minimum Chart of Accounts (Handbook 2R2).

**Required Action:** The district should ensure that expenditures are charged to the appropriate general ledger account in accordance with the Uniform Minimum Chart of Accounts.

**Finding 3:** The district hired a consultant to provide “Professional Counseling Services” at Clifton nonpublic parochial schools. The consultant was issued purchase orders in the amount of \$46,301 for both FY 2015-2016 and 2016-2017. The district did not have a written contract with the consultant nor were payments to the consultant supported by an invoice. The agreement with the

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consultant was not authorized by board resolution, although the consultant was listed as an employee in the minutes which she was not. Accordingly, auditors could not document the specific nature of the consultant's services nor could the rate of compensation (hourly, daily etc.) be verified. In addition, evidence was not provided to indicate the district followed the State Public School Contracts Law (PSCL) when selecting this vendor.

**Citation:** Uniform Grant Guidance 2 CFR §200.302; N.J.S.A. 18A:18A-40; N.J.S.A. 18A:18A-4; N.J.S.A. 18A:19-2.

**Required Action:** The district must review and document the selection process of the vendor to ensure she was selected in accordance with PSCL. The agreement with the consultant must be in writing and include scope of work, length of services, an hourly or daily rate and a not to exceed amount. The contract must be approved by board resolution. A properly prepared invoice must be received from the vendor and approved by the district prior to any future payments.

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](mailto:steven.hoffmann@doe.state.nj.us).