



State of New Jersey

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

CHRISTOPHER D. CERF
Acting Commissioner

October 14, 2011

TO: County Superintendents
County School Business Administrators

FROM: Yut'se Thomas
Director
Office of School Finance

A handwritten signature in black ink that reads "Yut'se Thomas".

SUBJECT: 2012-2013 Application for State School Aid - Workpapers and Written Procedures

The Application for State School Aid (ASSA) Summary is a required part of the annual independent school district audit. The ASSA Summary printout prepared by the department will be included in the audit report as a supplementary schedule and is subject to the same auditing procedures applied in the examination of the school district's basic financial statements.

Districts must complete a set of workpapers that document the compilation of register data for the Application for State School Aid pupil count and provide an audit trail for the auditor to use as a basis for testing. Samples of the workpapers and instructions are attached. Districts must also prepare written internal procedures that provide a description of the October 14, 2011 count process. The procedures should describe how the count was taken, who was responsible for compiling the data and submitting the Application for State School Aid data, and the various assigned responsibilities for collecting the data. The workpapers, original supporting documentation, and internal procedures must be maintained on file for a period of **seven** years. This year's workpapers continue to include specific data for preschool students sent to Contracted Pre-School Providers.

Districts are advised that, in addition to the audit testing performed as part of the financial statement audit, the Department of Education Office of Fiscal Accountability and Compliance conducts audits of the Application for State School Aid for purposes of verifying state aid entitlements to school districts including selected School Development Authority (SDA) districts that were formerly referred to as Abbott school districts for Preschool Education Aid verification. Various past department audit results have indicated that certain school districts have duplicated student counts by reporting special education students on the grade level and special education lines for the on-roll and low-income categories. These audits have resulted in subsequent reductions to state aid payments to these districts.

School districts are permitted to include students eligible for **reduced** price meals as low-income students as of October 14, 2011 when preparing the ASSA. Districts now include **reduced** priced students as well as those eligible for **free** meals and **free** milk on the ASSA as low-income eligible students. Free and reduced remain separate counts. School Development Authority (SDA) districts that were formerly referred to as Abbott school districts are reminded that 3 and 4 year old students without an IEP are counted as preschool students (3 year old or 4 year old) on roll or sent. If a 3 year old or 4 year old student has an IEP specifying special education services for preschool disabled children, these students are reported as elementary special education students on the ASSA.

Please contact Robert Ortley, manager of the State Aid Audit Unit at (609) 984-4940 or your county office if you have any questions concerning the workpapers or the internal procedures.

YT:rh:rwo:\osf\assa\assa13\memos\workpapers Cover 2012-2013
Attachments

c: Executive County Superintendents
Robert Ortley, Manager, State Aid Audit Unit, Office of Fiscal Accountability and Compliance