



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

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

CHRISTOPHER D. CERF  
*Commissioner*

March 12, 2013

Mr. Thomas Coleman, Superintendent  
Woodstown-Pilesgrove Regional School District  
135 East Avenue  
Woodstown, NJ 08098

Dear Mr. Coleman:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Woodstown-Pilesgrove Regional Board of Education**. The funding sources reviewed include titled programs for the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act (IDEA). The review covered the period July 1, 2011 through December 10, 2012. 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/finance/jobs/monitor/consolidated>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Woodstown-Pilesgrove Regional Board of Education 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 Anthony Hearn at (609) 633-2492.

Sincerely,

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

RJC/AH/dk:Woodstown-Pilesgrove Reg. BOE Cover Letter/consolidated monitoring  
Enclosures

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**WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT**  
135 EAST AVENUE  
WOODSTOWN, NJ 08098  
PHONE: (856) 769-0144



*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
MARCH 2013**

**District:** Woodstown-Pilesgrove Regional School District  
**County:** Salem  
**Dates On-Site:** December 10, 11 and 12, 2012  
**Case #:** CM-024-12

**FUNDING SOURCES**

Program	Funding Award
Title I, Part A	\$ 195,502
IDEA Basic	288,521
IDEA Preschool	4,467
Title IIA	33,670
Race to the Top	12,956
Carl D. Perkins	12,854
Total Funds	<u>\$ 547,970</u>

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**BACKGROUND**

The Elementary & Secondary Education Act (ESEA) and the Individuals with Disabilities Act (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 (ESEA, IDEA, Race to the Top 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.

**INTRODUCTION**

The NJDOE visited the Woodstown-Pilesgrove Regional 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: Race to the Top, Title I, Part A (Title I); Title IIA; Carl D. Perkins and IDEA for the period July 1, 2011 through December 10, 2012 and planned expenses for the current year (2012-2013).

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, 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, interviews of child study team members and speech-language specialists 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 district personnel, reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews.

**EXPENDITURES REVIEWED**

The grants that were reviewed included Race to the Top, Title I, Title IIA, Carl D. Perkins and IDEA from July 1, 2011 through December 10, 2012. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

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**GENERAL DISTRICT OVERVIEW OF USES OF RACE TO THE TOP, TITLE I, CARL D. PERKINS AND IDEA FUNDS**

**Title I Projects**

The district is using its FY 2012-2013 Title I, Part A funds to implement targeted assistance programs in the elementary and high school and schoolwide program for its focus school in the middle school. Primarily, the district provides tutoring services through a vast array of extended learning opportunities (extended day and extended year), as well as in-class support.

**IDEA Projects (Special Education)**

The majority of the FY 2012-2013 IDEA Basic and Preschool funds are being used to reduce district tuition expenditures to support out-of-district placements for students who have educational needs which cannot be currently addressed within the existing district programs.

**Carl D. Perkins**

The district's FY 2011-2012 Carl D. Perkins allocations supports a total of seven approved secondary programs: Agricultural Business & Management (010101), Fine/Studio Arts, General (500702), Visual & Performing Arts (500101), Accounting Technology/Technician & Bookkeeping (520302), Management Information Systems, General (Computer Applications) (521201), Child Development (190706) and Computer Programming, Specific Applications (110202). The district also uses Carl D. Perkins funding for industry-standard supplies.

**Race to the Top**

The majority of the FY 2012-2013 Race to the Top grant is spent on rewriting curriculum to align with Common Core State Standards and the final part will help the district with the costs to implement teacher evaluation system that are not covered by Excellent Educators for New Jersey.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** In the notification letter to parents of Title I students, the district did not include the remediation strategy or the criteria for students to exit the Title I program.

**Citation:** ESEA §1118(c): *Parental Involvement (Policy Involvement)*.

**Required Action:** In the notification letter to families of students in the Title I program, the district must include the multiple measures it uses to identify students for eligibility. The letter must also include the reason for identification, as well as clearly defined exit criteria. The district's notification letters must be updated for FY 2012-2013 to include

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more specificity regarding what services the children will receive. The revised letter must be submitted to the NJDOE for review before the district issues it to parents.

**Finding 2:** The district does not have a parental involvement program that reflects the requirements of the Title I legislation. The district did not have parental involvement policy at the school-level or parent compacts.

**Citation:** ESEA §1118: *Parental Involvement*.

**Required Action:** The district must ensure each Title I school has a school level parental involvement policy and a school-parent compact is developed with the input of parents and distributed directly to parents of students participating in the Title I program. The district must submit a copy of the policy to the NJDOE for review.

**Finding 3:** The district did not have the required supporting documents to verify the activity of staff charged to the Title I grant at schools. The documentation must reflect what the staff is doing, when and where and must match their funded percentage.

**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 identify staff members who are working exclusively with students in the Title I program. The district may then charge the salaries of these staff to the grant and verify the time and activity of staff charged to the grant. The district must submit a revised list of FY 2012-2013 Title I funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review (including administrative staffing).

**Finding 4:** The district does not track expenditures by attendance areas to ensure the expenses for Title I schools are consistent with each attendance area's allocation on Eligibility Page, Step 4 of the FY 2012-2013 NCLB Consolidated Application.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems; NCLB §9306(a)(5): *Other General Assurances (Assurances)*.

**Required Action:** The district must track Title I school-level allocations reflected in the FY 2012-2013 NCLB Consolidated Application for Title I funds (Eligibility Page, Step 4). The tracking for FY 2012-2013 must be submitted to the NJDOE for review.

**Finding 5:** The district accounting system does not include a mechanism to track mandatory reserves, such as Focus Interventions, School in Need of Improvement (SINI) and District in Need of Improvement professional development, parental involvement and administrative cost. In the absence of a tracking system, the NJDOE cannot verify the accuracy of the district's final

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expenditure report. However, in previous year's expenditure reports, the district gave assurances that it expended all SINI funds, and the NJDOE did not restrict any of the district's carryover funds in the subsequent year.

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

**Required Action:** The district must develop a system to track its restricted reserves to ensure accuracy of its expenditures and to verify spending of restricted amounts in the FY 2011-2012 final expenditure report. The district must submit a list of account numbers being used for this purpose with a description of the accounts.

**Finding 6:** The district did not include nonpublic enrollment numbers on the FY 2012-2013 NCLB application in Step One of the Title I, Part A eligibility. The district must include the enrollment data even though all the nonpublic schools declined the funds.

**Citation:** ESEA §1120 *Participation of Children Enrolled In Private School* and EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

**Required Action:** For FY 2012-2013, the district's Electronic Web Enabled Grant application must reflect the accurate number of nonpublic resident students in its attendance area (even if funds are declined). The district must revise the enrollment number data indicated on Title I portion of its FY 2012-2013 Application.

**Finding 7:** The district used its Title I funds to pay for books for teacher mentors, parent liaison and literacy and mathematics coaches in the elementary school and iPads for use to benefit all students in a school operating a Title I targeted assistance program. The use of federal funds for these expenses supplants state/local funds as these activities benefit the entire school.

**Citation:** OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments*. NCLB §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

**Required Action:** The district must reverse the charges for these unallowable expenditures and allocate state/local funds, rather than Title I funds, to support these expenditures. The district must submit documentation to the NJDOE that verifies the reversal of the expenditures.

**Finding 8:** The district does not have a comprehensive equipment inventory for items purchased with Title I funds.

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**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

**Required Action:** The district must develop a system to track equipment purchased with federal grants. Although the state threshold for reporting equipment is \$2,000 in the EWEG system, the district may have its own lower threshold. The district must track any amount that is less expensive to track than it is to replace. The inventory must include a list of all items with the corresponding tag number, cost, location, purchase date, grant source that funded the purchase and a description of the item. The district must submit a comprehensive inventory of all equipment purchased to the NJDOE for review.

**Title IIA**

There were no findings for the Title IIA grant.

**IDEA (Special Education)**

There were no findings for the IDEA grant.

**Carl D. Perkins**

**Finding 9:** FY 2012-2013 Carl D. Perkins funding was not directed to address improving performance in those programs that did not meet the State Negotiated Performance Level in technical skill proficiency, mathematics, participation non-traditional and completion non-traditional as indicated in the approved Carl D. Perkins Application.

**Citation:** Perkins Guidelines: Section D: 2.2.4 Performance Standards and Measures: Designation of Carl D. Perkins Funds.

**Required Action:** In the future, the district must designate the use of Carl D. Perkins funds to address program deficiencies.

**Finding 10:** The required three course sequence is not evident and the district is not administering third party end of program assessments for the following programs: Child Development, Management Information Systems, Computer Programming, Accounting, Fine Arts/Studio General, and Visual and Performing Arts.

**Citation:** N.J.A.C. 6A: 19-3.1.6 (i) & 9 Program Requirements & Carl D. Perkins P.L. 109-270 §135 (b) 8.

**Required Action:** In the future, the district must ensure that a coherent sequence of three or more courses is offered for approved Career Technical Education (CTE) programs supported with Carl D. Perkins funding. The programs and course sequence information should be available for guidance counselors, administrators, teachers and parents.



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**Finding 11:** The district has not established advisory boards for the following programs as required for all approved CTE programs: Child Development, Fine Arts Studio, General, Visual and Performing Arts, Computer Programming and Accounting.

**Citation:** P.L. 109-270 Citation § 134 (b) 5 & NJAC 6A:19-3.1 Requirements.

**Required Action:** The district must establish an advisory board for each approved CTE program. The advisory board must have membership representation as indicated in the NJ Administrative Code listed above and in the CTE program approval applications. Each advisory board must meet at least twice per project period. Once the advisory boards have been established the district must submit a copy of the advisory board minutes to their Perkins program officer. Programs without evidence of functioning advisory boards will not be considered approved programs and will not be eligible for FY 2014 Carl D. Perkins funding.

**Finding 12:** The district does not have a comprehensive inventory system for items purchased with Carl D. Perkins funds. IPADS purchased in FY 2013 were not properly tagged.

**Citation:** EDGAR, PART 80 - *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

**Required Action:** In the future, the district must develop a system to track equipment purchased with federal grants. Although the state threshold for reporting equipment in the Perkins application is \$2,000,. the district must track items of any amount that is less expensive to track than it is to replace. All inventoried items must include tag number, cost, location, date of purchase, grant that funded the purchase and item description. The district must make available for NJDOE review a comprehensive listing of all inventoried items purchased with Carl D. Perkins funds.

**Finding 13:** The CTE teachers' participation in professional development activities was limited and not comparable to that of the non CTE teachers.

**Citations:** Perkins: P.L. 109-270: § 135 (5).

**Required Action:** In the future, the district must ensure that CTE teachers are given the opportunity to participate in professional development activities that are consistent with the requirements of the Carl D. Perkins legislation.

**Race to the Top**

There were no findings for the Race to the Top grant.

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**Administrative**

**Finding 14:** The district does not have internal control policies and procedures to prevent contracting with disbarred vendors. The district must update its internal control policies to prevent errors from potentially occurring.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

**Required Action:** The district should update internal control policies to prevent errors from potentially occurring.

**Finding 15:** The district does not have formal written policies for requesting reimbursement from the EWEG or System for Administering Grants Electronically systems. However, the monitoring team did verify the district's practice for requesting reimbursement through inquiries about the district's internal controls.

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

**Required Action:** The district must have a formal board policy concerning the reimbursement of grant funds. The district must submit a copy of its written policy to the NJDOE for review.

**Finding 16:** The district has no evidence of competitively contracting for the provision of goods and services by vendors. In accordance with the Public School Contracts Law (PSCL) [N.J.S.A. 18A:18A:10(a)], a board of education may place its order with a vendor offering the lowest price, including delivery charges, that best meets the requirements of the board of education. However, for all federal funds, districts need to review 34 CFR Part 80.36 on procurement requirements. The federal procurement regulations under this section do not include all the exemptions allowed under the PSCL and therefore, these federal regulations require districts to competitively contract or bid all goods and services under the bid threshold, whether exempt under PSCL or not. The federal rules do include provisions for procurement by "noncompetitive proposals," but only under certain circumstances.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

**Required Action:** The district should review 34 CFR Part 80.36 and use open and competitive procedures where at all possible. The district should also analyze and include documentation in its files that demonstrates the district ensured the costs were reasonable.

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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 Anthony Hearn via phone at (609) 633-2492 or via email at [anthony.hearn@doe.state.nj.us](mailto:anthony.hearn@doe.state.nj.us).