

COMMISSION ON HIGHER EDUCATION

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- HIGHER EDUCATION
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HIGHER EDUCATION CAPITAL
IMPROVEMENT PROGRAM

COMMISSION ON HIGHER EDUCATION

94 100 050 5400 219	HIGHER EDUCATION FOR
95 100 074 2600 005	SPECIAL NEEDS STUDENTS
01 100 074 2400 014	

I. PROGRAM OBJECTIVES

The Special Needs Grant Program was established under the provisions of N.J.S.A. 18A: 72H-4 to assist New Jersey college students who are visually impaired, deaf and hard of hearing, or who have learning disabilities. The statute charges the Commission on Higher Education with several activities including, but not limited to, entering into agreements with institutions and organizations to establish regional centers, provide support services for special needs students, and fostering awareness of disabilities through seminars, presentations, and other activities.

In FY 2000, eight regional centers received funding from the Commission on Higher Education. The five regional centers serving students with learning disabilities are located at Cumberland County College, Fairleigh Dickinson University, Middlesex County College, Ocean County College, and New Jersey City University. These centers provided clinical diagnosis and evaluations, instructional programs to develop compensatory strategies for learning, and other direct student support aids and specialized instruction. These centers also serve as resources for technical assistance, staff development, and diagnostic clinics for other New Jersey colleges and universities.

Two of the regional centers serve deaf and hard of hearing students (Bergen Community College and Camden County College). These two centers offer an array of necessary in-class assistance and services, such as interpreters, note takers, C-Print, and tutors, to offset hearing losses. Services are provided through both college level and pre-college level programs. The centers also provide communication training, counseling, basic skills instruction, and pre-vocational skills development.

In addition, the program supports a statewide adaptive technology center, which is located at The College of New Jersey. The center purchases materials and equipment that can be loaned to colleges and universities, giving the institutions an opportunity to try adaptive technology before they purchase. The adaptive technology center also holds workshops for faculty and staff and acts as a clearinghouse for information exchange.

II. PROGRAM PROCEDURES

In November 1998, the Commission released both targeted and competitive Requests for Proposal(RFP)for FY 2000. The new RFP incorporated a five-year funding cycle so that institutions need not reapply every year. Contracts between the institutions and the Commission on Higher Education (CHE), provide specific guidelines and requirements for each project. Funds are released to each institution according to a schedule based on the institution's submission of required reports.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a. Refer to Requests for Proposal(RFP)
- b. Refer to terms and conditions of contract

2. Suggested Audited Procedures

- a. Review institutional records pertaining to students served and services provided.
- b. Review institutional internal expenditure report.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

Limited to the institutions listed in I. above.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to Requests for Proposal (RFP).
- b. Refer to terms of the contract.

2. Suggested Audited Procedures

- a. Review and verify institutional commitment as required by the RFP. Trace data to supporting documentation
- b. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
- c. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to terms and conditions of the contract.
- b. Review to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the CHE according to the contract.
- b. Review institutional files to verify that CHE staff have approved report submissions.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and/or procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

94 100 050 5400 221	PROGRAM FOR THE
95 100 074 2600 006	EDUCATION OF LANGUAGE
01 100 074 2400 015	MINORITY STUDENTS

I. PROGRAM OBJECTIVES

The Education of Language Minority Students (ELMS) Grant Program provides funds for the implementation of educational services to enhance the instruction, learning, and academic achievement of language minority students (LMS) who are New Jersey residents and are enrolled or plan to enroll in academic credit-bearing course work leading to a degree or certificate at in-state colleges and universities.

Projects funded are highly focused, innovative, locally designed projects to develop, expand, or enhance instructional programs and/or services for language minority students. These programs should not be dependent upon a grant to sustain them on a long-term basis; instead, institutions are expected from the outset to absorb the cost of the program.

II. PROGRAM PROCEDURES

In November 1998 a new Request for Proposals (RFP) was released for FY 2000. The new RFP incorporated a two-year funding cycle. Contracts between the institutions and the Commission on Higher Education provide specific guidelines and requirements for each project. Funds are released to each institution according to a schedule based on the institution's submission of required reports.

For FY 2001 the state legislators approved an increase in the grant appropriations. To distribute the additional funds, the Commission issued a special one-year competitive RFP. The funds were used to establish a computer/multimedia laboratory.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to Requests for Proposals (RFP)
- b. Refer to terms and conditions of contract

2. Suggested Audited Procedures

- a. Review institutional records pertaining to students served and services provided.
- b. Review institutional internal expenditure report.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

All nonprofit, degree-granting institutions of higher education in New Jersey were eligible to receive funding under this program. Institutions also must have responded to the FY 1999 ESL Survey distributed by CHE.

For FY 2001 the following institutions received grant awards: Bergen Community College*, Brookdale Community College*, Camden County College, Middlesex County College, Montclair State University, New Jersey City University*, and Raritan Valley Community College.

**Recipients of special one-year computer/multimedia laboratory project.*

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to Requests for Proposals (RFP).
- b. B Refer to terms of the contract.

2. Suggested Audited Procedures

- a. Review and verify institutional commitment as required by the RFP. Trace data to supporting documentation.
- b. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
- c. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to terms and conditions of the contract.
- b. Review to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the CHE according to the contract.
- b. Review institutional files to verify that CHE staff have approved report submissions.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and/or procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

01 100 074 2400 027

STATEWIDE IMPLEMENTATION OF ARTSYS**I. PROGRAM OBJECTIVES**

The Commission received a FY 2001 appropriation of \$1,163,000 for ARTSYS/ET (Articulation System/Electronic Transfer), a computerized transfer and articulation system adapted to New Jersey needs.

The Commission contracted with Burlington County College to operate the ARTSYS/ET system. The first year of funding included one-time costs for acquiring hardware and software as well as staff support and employee benefits.

Because of the statewide benefits of the system, the Commission proposed that the state provide funding in FY 2001 and subsequent years to enable participation to all eligible institutions.

II. PROGRAM PROCEDURES

Refer to Contract between the Commission on Higher Education and Burlington County College.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to Contract between the Commission on Higher Education and Burlington County College.

2. Suggested Audit Procedures

- a. Review institutional records pertaining to services provided.
- b. Review institution's internal expenditure report.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

ARTSYS/ET services are available to ALL New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A. 18A:72B-15 et seq.) who are parties to the Presidents' Council agreement on transfer and articulation. Participation is voluntary.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to Contract between the Commission on Higher Education and Burlington County College.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as required by Contract between the Commission on Higher Education and Burlington County College. Trace data to supporting documentation.
- b. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to terms and conditions of contract.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the CHE according to contract.
- b. Review institutional files to verify that CHE staff have approved report submissions.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and/or procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

01-100-074-2400-030

**STATE MATCHING FUNDS FOR BIOMEDICAL AND
OTHER TECHNOLOGY RESEARCH****I. PROGRAM OBJECTIVES**

The State Matching Funds for Biomedical And Other Technology Research Program provides \$3 million to give a competitive advantage for New Jersey's research universities and its public colleges and universities by allowing these institutions to compete for federal funds more aggressively. For FY 2001 the program is limited to New Jersey's six research universities; New Jersey Institute of Technology, Rutgers, The State University, University of Medicine and Dentistry of New Jersey, Princeton University, Seton Hall University, and Stevens Institute of Technology.

Grant proposals must request support for research in one of the following programmatic areas: computer science and information technology; physical, life and health sciences; engineering and engineering technology. Use of the funds must be tied to leveraging of federal grant to support institutional research.

II. PROGRAM PROCEDURES

For each federal biomedical or other technology research grant proposal for which an institution seeks matching state funds, the institution must submit to the Commission on Higher Education an abstract of the federal grant proposal along with a completed Eligibility Form for State Matching Funds. Grant proposals must request support in one of the programmatic areas identified above. The amount of the state match for each proposal may not exceed one-half of the requested grant amount and may not exceed the amount of the institutional match for that proposal. Each proposal will be reviewed by the Commission to ensure it meets the guidelines for the program and notify the institution regarding eligibility. The Commission will reserve an institution's state matching funds within the central fund upon official notification that a grant proposal has been selected for federal funding. Payment of the state matching funds will be made to the institution upon receipt of a copy of the executed grant contract between the federal agency and the institution. For each grant proposal that is eligible for state matching funds, the proposing institution is responsible for informing the Commission within one week of notification of the granting agent's decision. Funds not awarded by the end of fiscal 2001 were returned to Central Pool.

COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to Grant Proposal Application.
- b. Refer to grant contract with institution.

2. Suggested Audit Procedures

- a. Review institutional records pertaining to students served and services provided.
- b. Review institution's internal expenditure report.

- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

New Jersey's six research universities: Rutgers, The State University of New Jersey, University of Medicine and Dentistry of New Jersey, New Jersey Institute of Technology, Princeton University, Seton Hall University and Stevens Institute of Technology. Each institution was allocated \$580,000.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to Federal Grant Proposal and application for State Matching Funds.
- b. Refer to terms and conditions of grant contract.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as required by Request for Proposals (RFP). Trace data to supporting documentation.
- b. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
- c. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to terms and conditions of contract.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 93-05.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the federal government according to the grant contract.
- b. Review institutional files to verify that report submissions have been approved.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

For projects involving multiple institutions, a single college or university must act as the fiscal agent for grant program purposes. The sub-grantee relationship between the fiscal agent and the other institutions must be monitored to ensure that all institutions are in compliance with provisions of the Request for Proposals (RFP), the grant contract, or other applicable statutes and regulations.

COMMISSION ON HIGHER EDUCATION

01-100-074-2400-030

**BIOMEDICAL AND OTHER TECHNOLOGY
RESEARCH****I. PROGRAM OBJECTIVES**

The Biomedical And Other Technology Research Program is intended to build research capacity at the six research universities; New Jersey Institute of Technology, Rutgers, The State University, University of Medicine and Dentistry of New Jersey, Princeton University, Seton Hall University, and Stevens Institute of Technology.

Funds must be used to enhance research capacity in biomedical or other high-tech areas in which there is a demand. Funds may only be used in research areas that are consistent with the university's mission and strategic direction. There must be a commitment from the university to implement and provide continued support for the activities/enhancements funded through this initiative. Use of the funds must be tied to potential leveraging of other external funds to support institutional research in the target areas. Funds may not be used for major capital construction. Minor renewal and renovations that can be tied directly to capacity building in the targeted areas are eligible.

For FY 2001, a Criteria for Use of Capacity-Building Funds and Procedures for Securing Funding were developed by the Commission on Higher Education staff. These guidelines specify specific dollar allocations for each eligible institution as follows:

- New Jersey Institute of Technology, \$710,816
- Rutgers, The State University, \$2,608,321
- University of Medicine and Dentistry of New Jersey, \$1,880,863
- Princeton University, \$713,733
- Seton Hall University, \$353,087
- Stevens Institute of Technology, \$233,179

II. PROGRAM PROCEDURES

Refer to Criteria for Use of Capacity-Building Funds and Procedures for Securing Funding issued by the New Jersey Commission on Higher Education. Eligible institutions may submit funding proposals to the Commission. If the proposal is funded, a contract is developed between the institution and the Commission.

COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to Criteria for Use of Capacity-Building Funds and Procedures for Securing Funding.
- b. Refer to contract with institution.

2. Suggested Audit Procedures

- a. Review institutional records pertaining to increased research capacity and services provided.
- b. Review institution's internal expenditure report.

- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

Six (6) enumerated New Jersey research universities only:

- New Jersey Institute of Technology, \$710,816
- Rutgers, The State University, \$2,608,321
- University of Medicine and Dentistry of New Jersey, \$1,880,863
- Princeton University, \$713,733
- Seton Hall University, \$353,087
- Stevens Institute of Technology, \$233,179

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to Criteria for Use of Capacity-Building Funds and Procedures for Securing Funding.
- b. Refer to terms and conditions of contract.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as required by Criteria for Use of Capacity-Building Funds and Procedures for Securing Funding. Trace data to supporting documentation.
- b. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
- c. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to terms and conditions of contract.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the CHE according to contract.
- b. Review institutional files to verify that CHE staff have approved report submissions.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

For projects involving multiple institutions, a single college or university must act as the fiscal agent for grant program purposes. The sub-grantee relationship between the fiscal agent and the other institutions must be monitored to ensure that all institutions are in compliance with provisions of the Criteria for Use of Capacity-Building Funds and Procedures for Securing Funding, the grant contract, or other applicable statutes and regulations.

COMMISSION ON HIGHER EDUCATION

00 100 074 2400 012
 01 100 074 2400 012

COLLEGE BOUND GRANT PROGRAM**I. PROGRAM OBJECTIVES**

The College Bound Program addresses the educational needs and aspirations of disadvantaged, at-risk youth in grades six through twelve in the Abbott School Districts. The grant supports precollege educational enrichment activities to help ensure completion of secondary school and the successful pursuit of a postsecondary education in the sciences, mathematics, or technology.

Funds for College Bound programs are designated to provide on-campus support services and academic classes and activities particularly for the historically underserved or underrepresented students located in the Abbott School Districts.

College Bound programs are required to include the following basic program features:

- Four- to six-week summer programs on college campuses;
- Academic year weekday and/or Saturday programs either on campus or at a school;
- Individual and group counseling for academic and personal issues;
- Tutoring;
- Career awareness workshops, speakers, field trips, and internship opportunities;
- Multicultural enrichment activities;
- Exposure to positive role models;
- Parents' participation and enrichment activities;
- College admission and financial aid information sessions; and
- Staff development training to strengthen skills related to teaching/learning techniques and adolescent developmental issues.

II. PROGRAM PROCEDURES

In October 1997, a new Request for Proposal (RFP) was released for FY 1999. The new RFP incorporated a three-year funding cycle so that institutions need not reapply every year. Contracts between the institutions and the Commission on Higher Education (CHE) provide specific guidelines and requirements for each project. Funds are released to each institution according to a schedule based on the institution's submission of required reports.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to Requests for Proposals (RFP)
- b. Refer to terms and conditions of contract

2. Suggested Audited Procedures

- a. Review institutional records pertaining to students served and services provided.
- b. Review institutional internal expenditure report.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

All nonprofit, degree-granting institutions of higher education in New Jersey were eligible to receive funding under this program. For FY 2001 the following institutions received grant awards: Burlington County College, The College of New Jersey, Essex County College, Kean University, Mercer County Community College, New Jersey City University, New Jersey Institute of Technology, Passaic County Community College, Ramapo College of New Jersey, The Richard Stockton College of New Jersey, Rowan University, Rutgers, The State University of New Jersey, Seton Hall University, Union County College, and William Paterson University.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to Requests for Proposals (RFP).
- b. Refer to terms of the contract.

2. Suggested Audited Procedures

- a. Review and verify institutional commitment as required by the RFP. Trace data to supporting documentation.
- b. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
- c. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to terms and conditions of the contract.
- b. Review to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the CHE according to the contract.
- b. Review institutional files to verify that CHE staff have approved report submissions.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

For projects involving multiple institutions, a single college or university must act as the fiscal agent for grant program purposes. The sub-grantee relationship between the fiscal agent and the other institutions must be monitored to ensure that all institutions are in compliance with provisions of the RFP, grant contract, or other applicable statutes and regulations.

COMMISSION ON HIGHER EDUCATION

01-100-074-2400-028

**EXCELLENCE IN HIGH TECHNOLOGY
WORKFORCE****I. PROGRAM OBJECTIVES**

The Program for Excellence In High Technology Workforce is intended to strengthen programs from entry-level certificates to advanced degrees in four areas: Computer Science and Information Technology; Physical, Life, and Health Sciences; Engineering and Engineering Technology; and Science and Mathematics Teacher Education. This program provides higher education institutions the opportunity to establish or expand a broad-based array of academic and support services in these areas of state priority.

The funding supports the enhancement of existing programs of existing and recognized high quality through projects which align with state economic development goals, with the intent of raising the institution's regional or national prominence. Applicants were asked to identify how the grant funds would improve student learning outcomes, to provide evidence that the targeted program was diverse in nature, reflecting New Jersey's population, to explain how the grant funds would leverage or garner additional external funding, and explain how the enhanced programs would be sustained over time.

No single grant could exceed \$2.5 million. No institution could receive more than \$5 million. Each grant was a one time award, with no consideration for renewal. Funds could be disbursed over one to three years based on the institution's proposed implementation plan.

II. PROGRAM PROCEDURES

Refer to Request for Proposals (RFP) dated April 12, 2000, issued by the New Jersey Commission on Higher Education. Institutions may submit funding proposals to the Commission. If the proposal is funded, a contract is developed between the institution and the Commission.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to Request for Proposals (RFP).
- b. Refer to contract with institution.

2. Suggested Audit Procedures

- a. Review institutional records pertaining to students served and services provided.
- b. Review institution's internal expenditure report.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

ALL New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A. 18A:72B-15 et seq.) are eligible to receive funding under this program.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement
 - a. Refer to Request for Proposals (RFP).
 - b. Refer to terms and conditions of contract.
2. Suggested Audit Procedures
 - a. Review and verify institutional commitment as required by Request for Proposals (RFP). Trace data to supporting documentation.
 - b. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
 - c. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement
 - a. Refer to terms and conditions of contract.
 - b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.
2. Suggested Audit Procedures
 - a. Review institutional files to verify that appropriate reports have been submitted to the CHE according to contract.
 - b. Review institutional files to verify that CHE staff have approved report submissions.
 - c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

For projects involving multiple institutions, a single college or university must act as the fiscal agent for grant program purposes. The sub-grantee relationship between the fiscal agent and the other institutions must be monitored to ensure that all institutions are in compliance with provisions of the Request for Proposals (RFP), the grant contract, or other applicable statutes and regulations.

COMMISSION ON HIGHER EDUCATION

98-100-074-2600-028

**IMPROVING MINORITY AND LOW-
INCOME STUDENT GRADUATION RATES****I. PROGRAM OBJECTIVES**

The Program for Improving Minority And Low-Income Student Graduation Rates is an incentive grant program designed to fund programs, utilizing identified, effective strategies for improving the graduation and transfer rates of low-income and/or minority students. The program reflects the Commission's commitment to promoting policies and programs that remove barriers to students' academic success and enhance institutional achievement of goals and statewide priorities.

Program funds may not be used for pre-college programs and must focus on graduation and transfer rates beyond the first year. While funds may be used to implement strategies that impact on first year students, proposals must extend strategies beyond traditional first year orientation and/or retention programs, focusing on timely transfer or graduation. Low-income students are defined as those falling within the first two tuition aid grant (TAG) cells.

No single grant could exceed \$100,000. Each grant is a one time award, with no consideration for renewal. Funds could be disbursed over one to three years based on the institution's proposed implementation plan.

II. PROGRAM PROCEDURES

Refer to Request for Proposals (RFP) dated May 16, 1997, issued by the New Jersey Commission on Higher Education. Institutions may submit funding proposals to the Commission. If the proposal is funded, a contract is developed between the institution and the Commission.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to Request for Proposals (RFP).
- b. Refer to contract with institution.

2. Suggested Audit Procedures

- a. Review institutional records pertaining to students served and services provided.
- b. Review institution's internal expenditure report.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

ALL New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A. 18A:72B-15 et seq.) are eligible to receive funding under this program.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to Request for Proposals (RFP).
- b. Refer to terms and conditions of contract.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as required by Request for Proposals (RFP). Trace data to supporting documentation.
- b. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
- c. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to terms and conditions of contract.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the CHE according to contract.
- b. Review institutional files to verify that CHE staff have approved report submissions.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

For projects involving multiple institutions, a single college or university must act as the fiscal agent for grant program purposes. The sub-grantee relationship between the fiscal agent and the other institutions must be monitored to ensure that all institutions are in compliance with provisions of the Request for Proposals (RFP), the grant contract, or other applicable statutes and regulations.

COMMISSION ON HIGHER EDUCATION

00 100 074 2400 025
 01 100 074 2400 025

MINORITY FACULTY ADVANCEMENT
(Formerly MINORITY ACADEMIC
CAREERS)

I. PROGRAM OBJECTIVES

The Minority Faculty Advancement (N.J.S.A. 18A:72F-1 et seq.) and the Minority Undergraduate Fellowship (N.J.S.A. 18A:72M-1 et seq.) programs, begun in 1984 and 1992, respectively, are known collectively as the Minority Academic Career (MAC) program. MAC seeks to increase diversity on New Jersey College and university campuses among both students and faculty in key disciplines where minorities continue to be severely underrepresented.

The program has three components. A graduate component provides support services to program participants (MAC fellows) working towards their doctorates. An incentive hiring component helps institutions recruit and hire minority faculty and administrators. The undergraduate program identifies promising minority students and encourages them to pursue academic careers.

II. PROGRAM PROCEDURES

New Jersey Institute for Collegiate Teaching and Learning (NJICTL): This is the undergraduate component of the MAC program and is administered by Seton Hall University. NJICTL identifies minority undergraduates who are interested in academic careers and provides them with a faculty mentor, and enhanced research experience. Another component of the contract includes a stipend for the participating undergraduate fellows. The stipends are not paid directly to the students from the Commission. The funds are part of the administrative budget provided to Seton Hall.

Graduate Redeemable Loan Program: This component provides redeemable loans to minority graduate students not to exceed \$10,000 per year for a maximum of 4 years. This component is in the last stage with only 1 eligible student remaining in the cohort that was previously administered by HESAA.

Incentive Hiring Grants (IHG): This component allows the Commission to partner with institutions by offering educational loan redemption per years of faculty service as part of the compensation package to a prospective (new) faculty member. The purpose of the incentive hiring grant is to facilitate hiring that will lead to greater faculty diversity in key disciplines where African-Americans and Latinos continue to be severely underrepresented. The IHG's are encumbered the year the award is made, however, actual payments may be spread over a period of years.

Doctoral and Dissertation Fellowships: The goal of the Minority Faculty Advancement Program (MAC) to increase the number of minority faculty and administrators with doctorates in certain academic disciplines and to increase the representation of minority faculty and administrators with doctorates at New Jersey colleges and universities. The Commission on Higher Education also sponsors a limited number of single-year dissertation fellowships that enable MAC Doctoral fellows at the "all but dissertation" stage to complete their dissertations. Funds are also provided to the institutions to provide for research activities and travel for the fellows as well as their mentors.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to terms and conditions of contract and memoranda of understanding.

B. ELIGIBILITY

Defined in Title 9A, N.J.A.C., Chapter 12, sections 9A:12-2.1, 9A:12-2.2, 9A:12-3.1, 9A:12-4.1, and 9A:12-4.2.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

Defined in Title 9A, N.J.A.C., Chapter 12, sections 9A:12-1.2, 9A:12-2.2, 9A:12-3.3, 9A:12-4.2, 9A:12-4.3, 9A:12-4.4, and 9A:12-4.5.

D. REPORTING REQUIREMENTS

Defined in regulations sections 9A:12-3.2. The CHE also collects annual student transcripts to ensure doctoral fellows are making satisfactory program and are eligible for continuation of support. The CHE also receives expenditure reports from Seton Hall University, which manages the undergraduate and portions of the doctoral fellows programs.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests or provisions.

COMMISSION ON HIGHER EDUCATION

00 100 074 2400 024

**NEW JERSEY VIRTUAL UNIVERSITY
(NJVU)****I. PROGRAM OBJECTIVES**

The New Jersey Virtual University had an FY 2000 appropriation of \$500,000 to be used in support of faculty development in the area of online instruction. The Commission entered into a contract with New Jersey Institute of Technology, which administers the program in collaboration with the Commission. The program provides grants of up to \$2,000 per institution to continue faculty development and technology support administrators, faculty workshops for those beginning to use online technology, workshops in advanced topics for those wishing to enhance their skills, and an online course in teaching online, which is being made available to facilitators from each institution, who must first participate in appropriate training.

The funds also provide continuing support to institutions through a Computer-Assisted Instructional Specialist supported by the grant for up to three years.

II. PROGRAM PROCEDURES

Refer to Contract between the Commission and the New Jersey Institute of Technology, dated September 1, 1999.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

Refer to Contract between the Commission and the New Jersey Institute of Technology.

2. Suggested Audit Procedures

- a. Review institutional records pertaining services provided.
- b. Review institution's internal expenditure report.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

ALL New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A. 18A:72B-15 et seq.) are eligible to participate in this program.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to Contract between the Commission and the New Jersey Institute of Technology.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
- b. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to terms and conditions of contract.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the CHE according to contract.
- b. Review institutional files to verify that CHE staff have approved report submissions.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and/or procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

01 100 074 2400 029

SUPPORT FOR STATEWIDE NETWORK**I. PROGRAM OBJECTIVES**

The Higher Education Technology Infrastructure Fund included \$5 million for interconnectivity among colleges and universities. Of this amount, \$4.5 million is dedicated to establishing a broadband data and video network to which all higher education institutions can connect for basic, as well as optional, high speed data and video services to meet varying needs.

During the Summer of 2000, NJEDge.net was created to oversee higher education technology services and management of the network. NJIT is serving as the fiscal agent for NJEDge.net and is housing the NJEDge.net staff. The Commission on Higher Education entered into a contract with NJIT for this purpose.

Participating institutions will contribute an annual network management fee.

II. PROGRAM PROCEDURES

Refer to Contract/Agreement between the Commission on Higher Education and the New Jersey Institute of Technology.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to Contract between the Commission on Higher Education and the New Jersey Institute of Technology.

2. Suggested Audit Procedures

- a. Review institutional records.
- b. Review NJEDge.net records.
- c. Review institution's internal expenditure report.
- d. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

ALL New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A. 18A:72B-15 et seq.) are eligible to receive services under this program. Other licensed institutions of higher education and other organizations may be allowed to join the network at some point in the future under a separate dues structure and through contracts with the network vendors.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to Contract between the Commission on Higher Education and the New jersey Institute of Technology.

2. Suggested Audit Procedures

- a. Preview and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to Contract between the Commission on Higher Education and the New jersey Institute of Technology.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional and NJEdge.net files to verify that appropriate reports have been submitted to the CHE according to contract.
- b. Review institutional files to verify that CHE staff have approved report submissions.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and/or procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

00-100-074-2400-017

**URBAN REVITALIZATION
INCENTIVE GRANTS****I. PROGRAM OBJECTIVES**

In FY 1999, the Commission awarded planning grants to thirteen institutions.

In FY 2000, the Commission awarded implementation grants to:

Passaic County College	Technology Center: Bridging the Digital Divide -- \$184,425
New Jersey City University	Institute for the Advancement of Community Leadership and Service Learning -- \$184,285
Thomas Edison College	Collaboration for Trenton's Heritage Tourism Initiative 2000 -- \$184,285

II. PROGRAM PROCEDURES

Refer to Planning Grants Request for Proposal (RFP) dated May 1998 and Implementation Grants RFP dated November 1999 issued by the New Jersey Commission on Higher Education. Institutions may submit funding proposals to the Commission. If the proposal is funded, a contract is developed between the institution and the Commission.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to Request for Proposals (RFP).
- b. Refer to contract with institution.

2. Suggested Audit Procedures

- a. Review institutional records services provided.
- b. Review institution's internal expenditure report.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

ALL New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A. 18A:72B-15 et seq.) situated in New Jersey locales with both urban enterprise zones and special needs school districts. are eligible to receive apply for planning funding under this program. Only those institutions that had received planning grants were eligible to compete for implementation grants.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to Request for Proposals (RFP).
- b. Refer to terms and conditions of contract.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as required by Request for Proposals (RFP). Trace data to supporting documentation.
- b. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
- c. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to terms and conditions of contract.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the CHE according to contract.
- b. Review institutional files to verify that CHE staff have approved report submissions.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

For projects involving multiple institutions, a single college or university must act as the fiscal agent for grant program purposes. The sub-grantee relationship between the fiscal agent and the other institutions must be monitored to ensure that all institutions are in compliance with provisions of the Request for Proposal(RFP), the grant contract, or other applicable statutes and regulations.

COMMISSION ON HIGHER EDUCATION

00 100 074 2400 026 **GEAR UP (GAINING EARLY**
 01 100 074 2400 026 **AWARENESS AND READINESS**
 FOR UNDERGRADUATE PROGRAMS)

I. PROGRAM OBJECTIVES

This discretionary grant program is funded by the United States Department of Education, Catalog of Federal Domestic Assistance (CFDA) #84.334, and by matching contributions from the State of New Jersey and six institutions of higher education (named in the next paragraph). National program regulations are cited in the Federal Register: April 27, 2000 (Volume 65, Number 82), Rules and Regulations, Page 24755-24763. The program is authorized by the 1998 Amendments to the Higher Education Act of 1965, chapter 2 of subpart 2 of part A of title IV (20 U.S.C. 1070a-21 et seq.). The program was funded as a result of a competitive award process during which a proposal was submitted to the U.S. Department of Education and was approved and funded (PR/Award # P334A990576).

Called the NJ GEAR UP State Project, the program sustains projects providing direct academic preparation and college readiness services to low-income students in grades 7-12 in 17 target middle and high schools in New Jersey. As with the federal GEAR UP program, the goal of the NJ GEAR UP State Project is to significantly increase the number of low-income students who are prepared to enter and succeed in postsecondary education. Providing tutoring, academic instruction, mentoring, field trips, counseling, parental involvement activities, test preparation, and college application assistance to the students are four College Bound programs at six New Jersey institutions of higher education: Project SMILE/GEAR UP at Mercer County Community College, CHAMP/GEAR UP at Rowan University, College Bound/GEAR UP at New Jersey City University, and the Consortium for Pre-College Education in Greater Newark, comprised of New Jersey Institute of Technology, Rutgers University-Newark, and the University of Medicine and Dentistry of New Jersey. These programs are contractual partners in the project.

The New Jersey Higher Education Student Assistance Authority (HESAA) serves as a key contract partner in the program and provides financial aid workshops to students, guidance counselors, and parents; creates the annual 21st Century Scholar Certificates; and administers the program's scholarship component. The state pledges a \$3,000 federally funded NJ GEAR UP scholarship to students who complete the program and enroll in a New Jersey college or university. These students will also be eligible for participation in the state's Educational Opportunity Fund (EOF) program, which provides scholarship assistance and support services including a bridge program between high school and the freshman year in college. The New Jersey Department of Education Office of Program Review and Improvement collaborates with the NJ GEAR UP State Project to align GEAR UP curriculum with Whole School Reform models and Core Curriculum Content Standards. Target school principals, teachers, and counselors work with the College Bound/GEAR UP programs to provide services and assist in data collection for program evaluation. Neither DOE nor the target schools are contractual partners.

II. PROGRAM PROCEDURES

The NJ GEAR UP State Project is funded on a 5-year cycle (1999-2004) so that institutions/agencies need not reapply every year. Contracts between the institutions/agencies and the Commission on Higher

Education (CHE) provide specific guidelines and requirements for each project. Funds are released to each institution according to a schedule based on the institution's submission of required reports.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a. Refer to contract with institution.
- b. Refer to federal authorization & regulations listed in I. above.

2. Suggested Audit Procedures

- a. Review institutional records pertaining to students served and services provided.
- b. Review institution's internal expenditure report.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

Limited to institutions/agencies listed in I. above.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to contract with institution.
- b. Refer to federal authorization & regulations listed in I. above.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as required by grant proposal. Trace data to supporting documentation.
- b. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
- c. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to contract with institution.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to CHE according to contract.

- b. Review institutional files to verify that CHE staff has approved report submissions.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

For projects involving multiple institutions, a single college or university must act as the fiscal agent for grant program purposes. The sub-grantee relationship between the fiscal agent and the other institutions must be monitored to ensure that all institutions are in compliance with provisions of the contract or other applicable statutes and regulations.

COMMISSION ON HIGHER EDUCATION

01 100 074 2400 031

**COMMUNITY COLLEGE SERVICES FOR
ABBOTT DAY CARE TEACHERS****I. PROGRAM OBJECTIVES**

Community College Services for Abbott Child Care Teachers is a special project initiated by the Commission on Higher Education in response to a New Jersey Supreme Court ruling in the Abbott v. Burke decision. The ruling requires all lead teachers in three- or four-year-old classrooms in child care centers under contract with an Abbott school district to hold, no later than September 1, 2004, a bachelor's degree and the newly created P-3 teaching license.

A spring 2000 survey by the Department of Human Services revealed that more than 300 (approximately 45%) of those teachers held no college degree, and many had no college experience at all. The Commission recognized that the court ruling created a pressing statewide need for a cadre of properly trained teachers, as well as an enormous challenge for existing child care teachers to acquire the necessary credentials in a short timeline.

Accordingly, the Commission asked the 13 community colleges in counties with Abbott districts to contact the contracted child care centers and identify the nondegreed teachers, enroll any so identified wishing to enroll and otherwise qualified for admission, and provide extended advisement and counseling services and such other special activities as necessary to facilitate the teachers' timely completion of their associate degrees and transfer to senior institutions for completion of the requisite bachelor's degree. The colleges were compensated for their efforts based on the number of Abbott teachers served.

II. PROGRAM PROCEDURES

Refer to the Contracts between the Commission on Higher Education and the 13 participating community colleges.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

Refer to the Contracts between the Commission on Higher Education and the 13 participating community colleges.

2. Suggested Audit Procedures

- a. Review institutional records.
- b. Review institution's internal expenditure report.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.

B. ELIGIBILITY

The 13 community colleges with Abbott districts in their service areas participated in this initiative, as follows:

- Atlantic Cape Community College
- Bergen Community College
- Brookdale Community College
- Burlington County College
- Camden County College
- Cumberland County College
- Essex County College
- Hudson County Community College
- Mercer County Community College
- Middlesex County College
- Passaic County Community College
- Union County College
- Warren County Community College

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

Refer to Contracts between the Commission on Higher Education and the 13 participating community colleges.

2. Suggested Audit Procedures

- a. Review and verify expenditures and supporting documentation.
- b. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to Contracts between the Commission on Higher Education and the 13 participating community colleges.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the CHE according to contract.
- b. Review institutional files to verify that CHE staff have approved report submissions.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests or procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

94 100 050 5400 177	OPPORTUNITY PROGRAM
95 100 074 2601 001	GRANTS: EDUCATIONAL
01 100 074 2401 001	OPPORTUNITY FUND
	ARTICLE III

I. PROGRAM OBJECTIVES

In partnership with New Jersey colleges and universities (28 public and 13 independent institutions), the Fund provides access to higher education and support for highly motivated students who exhibit the potential for success, but who come from families/communities disadvantaged by low income and the lack of access to the quality educational preparation necessary to attend college. Through its partnership with participating institutions of higher education, the Fund seeks to maximize educational opportunities for EOF students by providing direct program services designed to promote persistence through degree completion. Accordingly, EOF supports innovative educational initiatives, supplemental instruction, support services, and leadership development activities to improve the student's chance of academic success. In concert with other sources of student financial assistance, the Fund also attempts to make college affordable for those students who find the costs of higher education an impediment to access and student persistence. Article III provides grants to undergraduate students who are New Jersey residents attending a New Jersey college or university to help meet their educational expenses. Educational expenses may include tuition, fees, room and board, transportation, books, educational supplies, and childcare.

The objective of the graduate EOF program is to increase the number of New Jersey residents from backgrounds of historical poverty participating in graduate and professional study. The academic deficiencies that serve to identify undergraduate students as educationally disadvantaged are not applicable at the graduate level. The program provides the opportunity for New Jersey residents whose undergraduate record reflects the potential for advanced study beyond the baccalaureate degree, and whose economic background reflects a history of poverty. Students who received EOF as undergraduates should be given priority in the awarding of this grant. Article III provides grants to graduate students who are New Jersey residents attending a New Jersey college or university to help meet their educational expenses. Educational expenses may include tuition, fees, room and board, transportation, books, educational supplies, and childcare.

II. PROGRAM PROCEDURES

Each New Jersey institution of higher education must annually submit a request for funding. Allocation recommendations are approved by the EOF Board of Directors based on the level of appropriations received. Contracts between institutions and the EOF Board of Directors are developed, and continued funding is based upon the institution providing the necessary support services to the EOF population.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to N.J.S.A. 18A:71-28 et seq.

b. Refer to Title 9A, N.J.A.C.:

- (1) Chapter 11, Subchapter 1: Authority, mission and scope
- (2) Chapter 11, Subchapter 2: Undergraduate EOF financial eligibility
- (3) Chapter 11, Subchapter 3: Graduate EOF financial eligibility
- (4) Chapter 11, Subchapter 5: EOF summer program
- (5) Chapter 11, Subchapter 6: EOF operational procedures for academic year and summer Article III student grants and Article IV program support services

c. Refer to contract with the EOF Board of Directors.

2. Suggested Audit Procedures

- a. Review terms and conditions of contract and state statutes and regulations.
- b. Review student financial aid packages and financial accounts.

B. ELIGIBILITY

1. Compliance Requirement

- a. Refer to N.J.S.A. 18A:71-28 et seq.
- b. Refer to Title 9A, N.J.A.C.:

- (1) Chapter 11, Subchapter 1: Authority, mission and scope
- (2) Chapter 11, Subchapter 2: Undergraduate EOF financial eligibility
- (3) Chapter 11, Subchapter 3: Graduate EOF financial eligibility
- (4) Chapter 11, Subchapter 5: EOF summer program
- (5) Chapter 11, Subchapter 6: EOF operational procedures for academic year and summer Article III Student Grants and Article IV Program Support Services

2. Suggested Audit Procedures

- a. Review student financial aid records to verify financial eligibility.
- b. Review student transcripts and EOF files (including placement tests scores, high school information, interview information) and academic progress status.
- c. Review institutional admissions criteria.
- d. Test compliance with statute and regulations using a random sample.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

There are no compliance requirements.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

a. Refer to contract with EOF Board of Directors.

b. Refer to Title 9A, N.J.A.C., Chapter 11:

- (1) Subchapter 6.14: Record keeping and data collection
- (2) Subchapter 6.16: Annual program report
- (3) Subchapter 6-17: Fiscal Audit Requirements

c. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

a. Review institutional files to verify that appropriate reports have been submitted to the CHE/EOF Office according to contract. Verify information with the CHE/EOF Office.

b. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

94 100 050 5400 178	SUPPLEMENTARY EDUCATION
95 100 074 2601 002	PROGRAM GRANTS:
01 100 074 2401 002	EDUCATIONAL OPPORTUNITY
	FUND - ARTICLE IV

I. PROGRAM OBJECTIVES

The Educational Opportunity Fund (EOF) board of directors is authorized to develop, establish, and maintain programs of remedial and supplementary education for the students who receive Article III EOF grants. The programs shall be designed to provide access to and preparation for undergraduate, graduate, and professional programs.

II. PROGRAM PROCEDURES

Any undergraduate institution in New Jersey that enrolls students who receives grants under the EOF program is eligible to apply for program support funds. The institution must submit an application each year to the EOF Executive Director, who reviews the application for regulatory compliance and makes recommendations to the EOF Board of Directors. The Board of Directors determines funding allocations for the next academic year for each institution and makes a preliminary notification of allocations. Institutions may appeal the funding decision within thirty days of issuance of the preliminary notification. Appeals are reviewed by the Executive Director, and recommendations are made to the Board of Directors, which develops a final allocation. Contracts with each institution are issued by the Executive Director on behalf of the Board of Directors.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Refer to N.J.S.A. 18A:71-28 et seq.
2. Refer to Title 9A, N.J.A.C., Chapter 11, Subchapter 4: EOF program support services

B. ELIGIBILITY

1. Compliance Requirement
 - a. Any program that ((1) increases access to higher education for students eligible for EOF grants, (2) improves EOF student academic performance and promotes student retention, (3) promotes student progress toward graduation within the established period of program eligibility and within the academic regulations of the institution, and (4) provides effective administrative support for the operation of the EOF program within the institution is eligible for funding consideration.
 - b. Refer to Title 9A, N.J.A.C., Chapter 11:
 - (1) Subchapter 1: Authority, mission and scope
 - (2) Subchapter 4: EOF program support services
 - (3) Subchapter 6: Operational procedures for Academic Year Article III student grants and Article IV program support services
 - c. Refer to contract with EOF Board of Directors.

2. Suggested Audit Procedures

- a. Verify that institution's programs meet eligibility requirements.
- b. Verify that institution has valid EOF contract for current fiscal year authorizing them to provide EOF grants and services.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Refer to contract with EOF Board of Directors.
- b. Refer to Title 9A, N.J.A.C., Chapter 11: Subchapter 6.9: Institutional commitment

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as detailed in contract. Trace data to supporting documentation.
- b. Verify use of funds by performing appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to contract with EOF Board of Directors.
- b. Refer to Title 9A, N.J.A.C., Chapter 11:
 - (1) Subchapter 6.14: Record keeping and data collection
 - (2) Subchapter 6.16: Annual program report
 - (3) (3) Subchapter 6.17 Fiscal audit requirements
- c. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional files to verify that appropriate reports have been submitted to the CHE/EOF Office according to contract. Verify information with the CHE/EOF Office.
- b. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

94 100 050 5400 179	MARTIN LUTHER KING
95 100 074 2601 003	PHYSICIAN-DENTIST
01 100 074 2401 003	SCHOLARSHIP PROGRAM

I. PROGRAM OBJECTIVES

The Educational Opportunity Fund Board of Directors administers additional graduate grant funds for New Jersey medical and dental students who are from disadvantaged or minority backgrounds and are enrolled in the University of Medicine and Dentistry of New Jersey.

II. PROGRAM PROCEDURES

The EOF Board of Directors annually establishes a maximum and minimum award range for these scholarships, with the maximum not to exceed the maximum amount of tuition charged at the University of Medicine and Dentistry of New Jersey. The amount of each grant is based on the financial need of each student as determined pursuant to Title 9A, N.J.A.C., Chapter 11, Subchapter 3:4: Graduate EOF Financial Eligibility grant amounts.

COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Refer to N.J.S.A. 18A:72J
2. Refer to Title 9A, N.J.A.C., Chapter 11, Subchapter 8: Martin Luther King Physician-Dentist Scholarship Program; Subchapter 3.2, 3.5, and Subchapter 6.1, 6.3, 6.5, 6.6, 6.7 and 6.8.

B. ELIGIBILITY

1. Compliance Requirement
 - a. Refer to N J.S.A. 18A:72J-4
 - b. Refer to N.J.S.A. 18A:72J-6
 - c. Refer to Title 9A, N.J.A.C., Chapter 11, Subchapter 8.1: Student eligibility and subchapter 2.4 Financial eligibility for initial Article III student grants.
2. Suggested Audit Procedures
 - a. Review student financial aid records to verify financial eligibility.
 - b. Test compliance with statute and regulations using a random sample.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

Refer to New Jersey Office of Management and Budget (ONB) Circular 98-07.

2. Suggested Audit Procedures

Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

94 100 050 5400 130	C. CLYDE FERGUSON LAW
95 100 074 2601 004	SCHOLARSHIPS
01 100 074 2401 004	

I. PROGRAM OBJECTIVES

The Educational Opportunity Fund Board of Directors administers additional graduate grant funds for New Jersey law students who are from disadvantaged or minority backgrounds and are enrolled in the Rutgers University Newark School of Law, the Rutgers University Camden School of Law, or the Seton Hall University School of Law. Students must be in a post-baccalaureate program of study leading toward an initial law degree.

II. PROGRAM PROCEDURES

The EOF Board of Directors annually establishes a maximum and minimum award range for these scholarships, with the maximum not to exceed the maximum amount of tuition charged at the Rutgers University Newark School of Law. The amount of each grant is based on the financial need of each student as determined pursuant to Title 9A, N.J.A.C., Chapter 11, Subchapter 3.4: Graduate EOF financial eligibility grant amounts.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Refer to N.J.S.A. 18A:71-40.1 et seq.
2. Refer to Title 9A, N.J.A.C., Chapter 11, Subchapter 7: C. Clyde Ferguson Law Scholarship; Subchapter 3.2, 3.5, and Subchapter 6.1, 6.3, 6.5, 6.6, 6.7 and 6.8.

B. ELIGIBILITY

1. Compliance Requirement
 - a. Refer to N.J.S.A. 18A:71-40.4
 - b. Refer to N.J.S.A. 18A:71-40.6
 - c. Refer to Title 9A, N.J.A.C., Chapter 11, Subchapter 7.1: Student eligibility and subchapter 2.4 Financial eligibility for initial Article III student grants.
2. Suggested Audit Procedures
 - a. Review student financial aid records to verify financial eligibility.
 - b. Test compliance with statute and regulations using a random sample.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

XX XXX XXX XXXX 004

**PHYSICAL PLANT AND
SUPPORT SERVICES
PUBLIC COLLEGES AND
UNIVERSITIES****I. PROGRAM OBJECTIVES**

This program provides appropriations for the acquisition, design, construction, and repair of major capital assets, including buildings, roads, bridges or other physical facilities.

II. PROGRAM PROCEDURES

Each year, the New Jersey Commission on Capital Budgeting and Planning develops a State Capital Improvement Plan, which includes a detailed list of all capital projects of the state which that commission recommends be undertaken or continued by any state agency in the next three fiscal years. Institutions are required to submit a detailed list of approved projects to the Office of Management and Budget (OMB). Funding for specific institutions or programs is included in the annual appropriations act. Institutions may then submit purchase orders or payment vouchers to OMB to receive funds.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

Generally, funds may be used for the acquisition, design, construction, and repair of major capital assets. The New Jersey Commission on Capital Budgeting and Planning makes its recommendations for funding in the annual State Capital Improvement Plan. Refer to annual appropriations act for specific allocations.

B. ELIGIBILITY

All public four-year institutions of higher education are eligible to receive funding. Refer to annual appropriations act for specific allocations.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Institutions are required to submit a detailed list of approved projects to the Office of Management and Budget (OMB).
- b. Institutions must submit purchase orders or payment vouchers to OMB to receive funds.
- c. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional submissions to ensure that project has received required approval from the Commission on Capital Budgeting and Planning.

- b. Review project files for appropriate legislative appropriation documentation.
- c. Review institution's internal expenditure report, including submitted purchase orders or payment vouchers.
- d. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

XX XXX XXX XXXX 005

**JOB, SCIENCE, AND
TECHNOLOGY BOND ACT OF
1984****I. PROGRAM OBJECTIVES**

The objective of the Jobs, Science, and Technology Bond Act of 1984 (P.L.1984, c.99) was the improvement of New Jersey's public and private institutions of higher education using proceeds of a \$90 million bond issue. Specifically, the bond act included the establishment and construction of a network of advanced technology centers (\$42 million), establishment and construction of advanced technology centers in areas of future economic development (\$15 million), and construction and improvement of undergraduate technical and engineering-related facilities and creation of high-technology job training and retraining programs (\$23 million). In addition, the bond act allocated \$10 million for capital construction, of which at least \$7 million was designated for two programs in Southern New Jersey. The Higher Education Restructuring Act of 1994 (P.L. 1994, c.48) transferred the functions, powers, and duties of the Board of Higher Education under the JST Bond Act to the Commission on Higher Education effective July 1, 1994.

II. PROGRAM PROCEDURES

The Commission on Science and Technology administers the \$57 million for the advanced technology centers and the Commission on Higher Education as the successor to the former Department of Higher Education administers the remaining \$33 million.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**A. TYPES OF SERVICES ALLOWED OR DISALLOWED**

1. Compliance Requirement

- a. Refer to P.L.1984, c.99.
- b. Refer to Request for Proposal for Jobs, Science, and Technology Bond Projects, dated October 1985.
- c. Refer to Request for Proposal for a Northern and/or Central CIM Center Issued to New Jersey Colleges and Universities Having at Least One Accredited Engineering Program, dated October 1985.
- d. Refer to contract between the institution and the Department of Higher Education or its successor, the Commission on Higher Education.

2. Suggested Audit Procedures

- a. Review the documents noted in A.1.
- b. Perform appropriate sampling of institutional project records in accordance with generally accepted auditing standards.

B. ELIGIBILITY

1. Compliance Requirement

- a. All New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act, P.L.1979, c.13 (N.J.S.A. 18A: 72B-15 et seq.), are eligible to apply for funding.
- b. All New Jersey colleges and universities in the northern and central regions of the state having at least one accredited engineering program are eligible to apply for the \$3 million component.
- c. Projects must receive approval from the Board of Higher Education, Commission on Higher Education, or Commission on Science and Technology and must have legislation to appropriate funding.

2. Suggested Audit Procedures

Review project files for appropriate approvals, fully executed contracts, and legislative appropriation documentation.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

Refer to P.L.1984, c.99, 5.a. The establishment of an advanced technology center shall include a commitment from business and industry to finance a percentage of the centers operating costs.

2. Suggested Audit Procedures

Review advanced technology center operating budget for evidence of business and industry support.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to contract.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review contract.
- b. Review proposed budget and institution's internal expenditure report.
- c. Review disbursements to institution.
- d. Review report submissions, including submitted vouchers and expenditure reports.
- e. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

1. Compliance Requirement

Refer to P.L.1984, c.99, 5.e. Projects funded from the issuance and sale of these bonds must follow the principles of affirmative action and equal employment opportunity.

2. Suggested Audit Procedures

a. Review contracts between institution and general contractor and/or subcontractors.

b. Perform any special tests required to ensure compliance with affirmative action and equal employment opportunity goals.

COMMISSION ON HIGHER EDUCATION

XX XXX XXX XXXX 006

**JOBS, EDUCATION, AND
COMPETITIVENESS BOND
ACT OF 1988****I. PROGRAM OBJECTIVES**

The objective of the Jobs, Education, and Competitiveness (JEC) Bond Act of 1988 (P.L.1988, c.78) was the improvement of New Jersey's public and private institutions of higher education using proceeds of a \$350 million bond issue. The bond act included academic capital construction and renovation (\$308 million) and expansion of the state's network of advanced technology centers (\$42 million). The Higher Education Restructuring Act of 1994 (P.L. 1994, c.48) transferred the functions, powers, and duties of the Board of Higher Education (BHE) under the JEC Bond Act, including the approval of projects, to the Commission on Higher Education (CHE) effective July 1, 1994.

II. PROGRAM PROCEDURES

The \$308 million for capital construction and renovation is administered by the CHE as the successor to the former BHE, and the Commission on Science and Technology (CST) administers the \$42 million for the advanced technology centers. The funds are allocated by law as follows:

\$80,000,000	for construction of higher education buildings at the State colleges. *
\$60,000,000	for construction of higher education buildings at Rutgers University.*
\$10,000,000	for construction of higher education buildings at the Agriculture Experiment Station of Rutgers Univ.
\$25,000,000	for construction of higher education buildings at the University of Medicine and Dentistry of NJ. *
\$20,000,000	for construction of higher education buildings at the New Jersey Institute of Technology.
\$25,000,000	for construction of higher education buildings at the county colleges. *
\$20,000,000	for construction of higher education buildings at the private institutions of higher education.
\$25,000,000	to be allocated by the BHE (now CHE) for statewide and regional projects requiring the construction of higher education buildings at public institutions of higher education. *
\$45,000,000	for a renovation and rehabilitation fund to be established by law for those construction projects that involve only the renovation and rehabilitation of existing higher education buildings at the state colleges, Rutgers, NJIT, and UMDNJ.
\$42,000,000	toward the cost of establishment and construction of an expanded network of advanced technology centers at the state's public and private institutions of higher education. *

For the \$308 million for capital construction and renovation, contracts for specific projects are developed between institutions and the Department of Higher Education (now CHE). For the \$42 million for the advanced technology centers, agreements are developed with the CST.

*At least 20% of these funds must be allocated to projects in the eight southernmost counties of the state: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to the JEC Bond Act of 1988 (P.L.1988, c.78.). Funds may be used only for academic capital construction and renovation or for expansion of the state's network of advanced technology centers at public and private institutions of higher education. Allocations for specific projects are described in these appropriations bills:

- P.L.1990, c.126 (12/19/90) - Department of Higher Education, for public universities and independent institutions.
- P.L.1990, c.127 (12/19/90) - Department of Higher Education, for State and county colleges.
- P.L.1990, c.128 (12/19/90) - Commission on Science and Technology, for advanced technology centers.
- P.L.1991, c.274 (9/9/91) - Department of Higher Education, for renovation and rehabilitation of facilities.
- P.L.1991, c.343 (1/8/92) - Department of Higher Education, for public and private institutions.
- P.L.1992, c.90 (8/28/92) - Commission on Science and Technology, for advanced technology centers.
- P.L.1993, c.169 (7/7/93) - Department of Higher Education, for colleges and universities.
- P.L.1995, c.42 (3/7/95) - Commission on Higher Education, for independent university.
- P.L.1995, c.121 (6/8/95) - Commission on Higher Education, for independent university.
- P.L.1995, c.189 (8/2/95) - Commission on Higher Education, for State college.
- P.L.1997, c.46 (3/27/97) - Commission on Higher Education, for State and independent colleges.
- P.L.1997, c.382 (1/19/98) - Commission on Higher Education, for independent colleges and universities.
- P.L.1998, c.70 (8/12/98) - Commission on Higher Education, for independent colleges and universities.
- P.L.1999, c.62 (4/14/99) - Commission on Higher Education, for State university.
- P.L.1999, c.75 (4/30/99) - Commission on Higher Education, for county colleges.

P.L.1999, c.103 (5/6/99) - Commission on Higher Education, for county colleges.

P.L.1999, c.271 (11/16/99) - Commission on Higher Education, for independent colleges and universities.

B. ELIGIBILITY

All New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A. 18A:72B-15 et seq.) are eligible to receive JEC funding. Refer to bills listed in III.A. above for specific projects and eligible JEC bond funding amounts.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. For the \$308 million for capital construction and renovation, excepting the \$45 million for a renovation and rehabilitation fund, the bond act requires a 100% match of bond funds used to construct, improve, or expand facilities at private institutions. Note that this match is for the aggregate amount of bond funds allocated to each private institution's project or projects. Individual projects may have a less than 100% match if the institutional commitment on other JEC projects exceeds the match requirement by an amount sufficient to provide an aggregate match of 100% or more. An amount of up to 50% match may be required for facilities at public institutions. Refer to appropriations bills listed in III. A. above for institutional matching funds required for specific projects.
- b. For the \$42 million for the advanced technology centers, the bond act requires that a 'significant portion' of the center's construction, equipment and operating costs be financed from business, industry, and other non-state sources. Refer to resolutions from the CST for details on specific projects.

2. Suggested Audit Procedures

- a. Review appropriations bills or CST resolutions.
- b. Review proposed budget and institution's internal expenditure report to ensure compliance with applicable matching requirements.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to individual contracts with DHE/CHE or agreements with CST.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review contract or agreement.
- b. Review proposed budget and institution's internal expenditure report.

- c. Review disbursements to institution.
- d. Review report submissions, including submitted vouchers and expenditure reports.
- e. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

1. Compliance Requirement

- a. Refer to P.L.1988, c.78, 5.m. Projects funded from the issuance and sale of these bonds must follow the principles of affirmative action and equal employment opportunity.
- b. Refer to P.L.1983, c.482 (C.52: 32-17 et seq.), the "Set-Aside Act for Small Businesses, Female Businesses, and Minority Businesses." Projects are required to comply with these set-aside goals.

2. Suggested Audit Procedures

- a. Review contracts between institution and general contractor and/or subcontractors.
- b. Perform any special tests required to ensure compliance with affirmative action, equal employment opportunity, and set-aside goals.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

00 100 082 2155 036
01 100 082 2155 036

EQUIPMENT LEASING FUND - DEBT SERVICE

I. PROGRAM OBJECTIVES

The Equipment Leasing Fund (ELF) provides an ongoing financing mechanism to support the purchase of scientific, engineering, technical, computer, communications, and instructional equipment at New Jersey's public and private institutions of higher education. The ELF statute provides \$100 million for these purchases through the sale of bonds by the New Jersey Educational Facilities Authority (EFA). Each institution is required to pay to the EFA 25% of the principal and interest on the bonds issued to finance the purchase of its equipment. The Higher Education Restructuring Act of 1994 (P.L.1994, c.48) Transferred the functions, powers, and duties of the Board of Higher Education (BHE) under the ELF Act, including the approval of equipment purchase and the allocation of funds, to the Commission on Higher Education (CHE) effective, July 1, 1994.

II. PROGRAM PROCEDURES

Upon approval by the governing board of an institution or an entity authorized to act on their behalf, participating institutions propose equipment purchases to the BHE or, after July 1, 1994, to the CHE to be acquired with the proceeds of ELF bonds. Proposals must be for at least 25 percent of an institution's total allocation pursuant to N.J.A.C. 9A: 14-1.5 or \$1,000,000, whichever is less, unless it is for the final portion of its allocation. Refer to N.J.A.C. 9A: 14-1.3. As the original ELF bonds are retired new bonds may be issued with the approval of the State Treasurer, but the total outstanding principal may not exceed \$100,000,000, and the term of any bond may not exceed 10 years. The EFA enters into lease agreements with colleges and universities that include institutional payment of 25% of the principal and interest. The EFA then remits these funds to the State Treasurer.

III. COMPLIANCE REQUIREMENT AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a. Refer to P.L.1993, c.136.
- b. Refer to Title 9A, N.J.A.C., 9A:14-1.2.

2. Suggested Audit Procedures

- a. Review institutional records to ensure that funds have been used only to purchase scientific, engineering, technical, computer, communications, and instructional equipment.
- b. Review institutional records to ensure that the purchase has received required approval from the BHE or CHE and from the full governing board of the institution.

B. Eligibility

Refer to P.L.1993, c.136 (the Higher Education Equipment Leasing Fund Act). All New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A.18A: 72B-15 et seq.) are eligible to participate in this program.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

Refer to Section 5 of P.L.1993, c.136. Each, institution is required to pay 25% of the debt service on Equipment Leasing Fund bonds issued on its behalf.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as detailed in statute. Trace data to supporting documentation.
- b. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to lease agreement with EFA.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional submissions to ensure compliance with lease.
- b. Preview institution's internal expenditure report, including submitted purchase orders or payment vouchers.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION

00 100 082 2155 044 **Higher Education Facilities Trust Fund -**
 01 100 082 2155 044 **DEBT SERVICE**

I. PROGRAM OBJECTIVES

The Higher Education Facilities Trust Fund (HEFT) was enacted on January 10, 1994 to provide \$220 million in capital funds to New Jersey colleges and universities. The HEFT is used to provide grants to institutions for the cost, or a portions of the cost, of the construction, reconstruction, development, extension or improvement of instructional, laboratory, communication and research facilities related to future industry and workforce needs. Capital funds are provided through 15- year bonds issued by the Educational Facilities Authority (EFA), with debt service payments supported through annual appropriations from the net proceeds of the State Lottery Fund.

II. PROGRAM PROCEDURES

The New Jersey Commission on Higher Education, as successor to the Board of Higher Education, approves each grant, based upon application from the governing board of a public or private institution. The State Legislature has 60 days to disapprove a grant through a concurrent resolution; if it does not disapprove the grant, the grant is deemed to be authorized. Administration of funding for approved grants will be the responsibility of the EFA.

III. COMPLIANCE REQUIREMENT AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a. Refer to P.L.1993, c.375.
- b. Refer to Title 9A, N.J.A.C., Chapter 15, Subchapter 1.

2. Suggested Audit Procedures

- a. Review institutional records to ensure that funds have been used in accordance with the funding criteria enumerated in N.J.A.C. 9A:15-1.3(h).
- b. Review institutional records to ensure that the project has received required approval from the CHE and from the full governing board of the institution.

B. Eligibility

Refer to N.J.A.C. 9A:15-1.1. All New Jersey public institutions of higher education and private institutions eligible to receive State aid may participate.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No match is required.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Preview institution's internal expenditure reports, including submitted purchase orders or payment vouchers.
- b. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

00 100 082 2155 059 **Higher Education Technology Bond Fund -**
01 100 082 2155 059 **DEBT SERVICE**

I. PROGRAM OBJECTIVES

The purpose of the Higher Education Technology Bond fund is to "develop technology infrastructure within and among New Jersey's institutions of higher education in order to provide access effectively and efficiently to information, educational opportunities, and workforce training." Funds made available by the act "may also be used to enhance the connectivity of higher education institutions to libraries and elementary and secondary schools." As a result of the fund, institutions should be able to implement their technology plans more rapidly, enhancing higher education's capacity to use video and data telecommunications.

The intent of the fund is to further advance technology, not to reimburse institutions for completed projects. However, the regulations (9A:13-1.5 (b)) allow institutions to use as a match for grant funds any expenditures made after July 1, 1997, provided these expenditures are tied to the project(s) for which the grant funds are used and provided they meet all other regulatory criteria. Similarly, technology infrastructure grant funds may be applied to expenditures made prior to Commission approval of projects provided that those expenditures were made after July 1, 1997.

II. PROGRAM PROCEDURES

Upon approval by its governing board at a duly authorized meeting, an institution of higher education shall apply to the Commission on Higher Education for a grant from the infrastructure fund. An institution's proposal should be in narrative form, with separate sections addressing the items 1 through 7 and 9 through 13 enumerated in section (a) of N.J.A.C. 9A:13-1.5 (Grant application). Item 8, the itemization of proposed expenditures, shall be listed on form TFUND-01. Institutions must provide matching funds equal to the amount of the grant requested (refer to N.J.A.C. 9A:13-1.4,5).

III. COMPLIANCE REQUIREMENT AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement
 - a. Refer to P.L.1997, c.238.
 - b. Refer to Title 9A, N.J.A.C., Chapter 13, Subchapter 1.
2. Suggested Audit Procedures
 - a. Review institutional records to ensure that funds have been used in accordance with the funding criteria enumerated in N.J.A.C. 9A:13-1.4.
 - b. Review institutional records to ensure that the purchase has received required approval from the CHE and from the full governing board of the institution.

B. Eligibility

Refer to P.L.1997, c.238 (the Higher Education Technology Infrastructure Fund Act). All New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A.18A: 72B-15 et seq.) are eligible to participate in this program.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

Refer to N.J.A.C. 9A:13-1.4.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as detailed in statute. Trace data to supporting documentation.
- b. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to N.J.A.C. 9A:13-1.7.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Preview institution's internal expenditure report, including submitted purchase orders or payment vouchers.
- b. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

00 100 082 2155 079
01 100 082 2155 079

CAPITAL IMPROVEMENT FUND - DEBT SERVICE

I. PROGRAM OBJECTIVES

The Higher Education Capital Improvement Fund (HECIF) provides grants to New Jersey's four-year public and private institutions of higher education for the cost, or a portion of the cost, of the renewal renovation, improvement, expansion, construction and reconstruction of facilities and technology infrastructure. An institution may use up to 5% of a grant within student-support facilities for fire code violations, health-safety code renovations, and other State and federal code-related renovations. If all such renewal and renovation is completed or is accounted for through other funding sources, or if an institution is granted an exemption by the Commission on Higher Education for the purpose of maximizing federal grant fund recoveries or for the purpose of replacing a building when projected renewal and renovation costs exceed the projected cost of replacement, then grant funds may be used for the improvement, expansion, constructions, and reconstruction of instructional, laboratory, communication, and research facilities, or technology infrastructure. The HECIF statute provides \$550 million for these projects through the sale of bonds by the New Jersey Educational Facilities Authority (EFA). Public institutions are required to pay to the EFA one-third of the principal and interest on the bonds issued on their behalf and the private institutions must pay an amount equal to one-half of the principal and interest.

II. PROGRAM PROCEDURES

Upon approval by the governing board of a four-year private or public institution of higher education the board shall file an application with the Commission which application shall include a complete description of the project to be financed and an identification of any additional sources of revenue to be used. Only projects that incurred or will incur expenses after July 1, 1999 are eligible for approval provided that the projects meet the requirements of the law an N.J.A.C. 9A:16-1.4 The EFA enters into loan agreements with colleges and universities that include institutional payment of either one-third (public four-year institutions) or one-half (private four-year institutions) of the principal and interest. The EFA then remits these funds to the State Treasurer.

III. COMPLIANCE REQUIREMENT AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a. Refer to P.L.1970, c.217.
- b. Refer to Title 9A, New Jersey Administrative Code, Chapter 16, Subchapter 1.

2. Suggested Audit Procedures

- a. Review institutional records to ensure that funds have been used only for approved projects and that projects are proceeding according to submitted cash flow projections.
- b. Review institutional records to ensure that the project(s) received the proper approvals from the Commission on Higher Education and from the full governing board of the institution.

B. Eligibility

Refer to P.L.1970, c.217 (the Higher Education Capital Improvement Fund Act). All four-year New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A.18A: 72B-15 et seq.) are eligible to participate in this program.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

Refer to Chapter 72A-78(b) of Title 18A. All four-year public institutions are required to pay one-third of debt service and four-year private institutions shall pay one-half of the debt service on bonds issued on their behalf.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as detailed in statute. Trace data to supporting documentation.
- b. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to loan agreement with EFA.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional submissions to ensure compliance with loan agreement.
- b. Preview institution's internal expenditure report, including submitted purchase orders or payment vouchers.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

COMMISSION ON HIGHER EDUCATION

- SCHEDULE OF EXPENDITURES OF STATE AWARDS
- NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS AND INSTRUCTION FOR COMPLETION

SCHEDULE OF EXPENDITURES OF STATE AWARDS

The auditee shall prepare a schedule of expenditures of State awards for the period covered by the auditee's financial statements. At a minimum, the schedule should include all of the information listed below. For State awards received as a subrecipient, the name of the pass-through entity and the identifying number assigned by the pass-through entity must also be included in the schedule.

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For Year Ending June 30, 19_____

<u>STATE GRANTOR & PROGRAM TITLE</u>	<u>GRANT NUMBER</u>	<u>STATE ACCT. NO.</u>	<u>AWARD PERIOD</u>	<u>AWARD AMOUNT</u>	<u>CURRENT YEAR EXPENDITURES</u>
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TOTAL

COMMISSION ON HIGHER EDUCATION

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS AND INSTRUCTIONS FOR COMPLETION

- Note 1: This Schedule was developed to show that all state-funded programs would be included in the supplementary section of the audit report.
- Note 2: All programs should be individually identified, including those completed or terminated during the audit period.
- Note 3: Award amount should include all dollars received during the audit period from the State of New Jersey, from all state agencies including, but not limited to, the Department of the Treasury, the Department of State, the Commission on Higher Education, and the Higher Education Student Assistance Authority.
- Note 4: Current year expenditures should include total amounts expended for each individual State program.
- Note 5: Include notes to the schedule that describe the significant accounting policies used in preparing schedule.
- Note 6: Include, in either the schedule or a note to the schedule, the loans or loan guarantees outstanding at year-end.