SECTION III-REPORTING
CHAPTER 6 – AUDIT CHECKLISTS & QUESTIONNAIRE
(Chapter 6 is applicable to school districts, charter schools, and renaissance school projects with certain exceptions detailed within the text of the chapter)

TO BE COMPLETED BY BOARD SECRETARY/BUSINESS ADMINISTRATOR

Questionnaire
The Questionnaire is to be completed annually by the school district/charter school/renaissance school project board secretary/ business administrator for use by public school accountants when reviewing compliance with account coding of administrative expenditures. The school district's /charter school's/renaissance school project's auditors will review this questionnaire in conjunction with their test of transactions and include a finding and recommendation for questionnaires substantially incomplete or inaccurate. In addition, school districts/charter schools/renaissance school projects are required to have ready for audit a listing of all staff positions requiring either a school administrative, principal or school business administrator certificate as detailed on item number 21 in Section III-6.

Checklists
Three checklists, (Current Operating Funds, Student Activity Fund, and Food Service Fund) of actions to be performed or documents to have available in advance of the audit are provided following the Questionnaire to assist board secretaries/business administrators in preparing for the year-end audit. These checklists may be modified by the audit firm to incorporate additional documents as needed.

ADMINISTRATIVE QUESTIONNAIRE

(To Be Completed by the Board Secretary/ Business Administrator)

Auditors should retain this questionnaire in their workpapers. The department may at a future time request this document for use in assessing potential need for further guidance and training.

1. a. Were all salaries of administrative staff requiring a school administrative, principal or school business administrative certificate recorded in administrative functions 230, 240, and 25X?
   Yes _____ No _____

   b. If no to 1a, is the coding consistent with prior years? Yes _____ No _____

   c. If no to 1a, please list the position, the account coding and the rationale for account classification other than administration (attach additional sheet if necessary):
   _____
   _____
   _____

2. Is there a decline in administrative expenditures relative to total general fund expenditures from the previous year? Yes _____ No _____

   If yes, is the decline the result of reclassification or allocation of salaries?
   Yes _____ No _____
   Please provide an explanation for any fluctuation (attach additional sheet if necessary):
   _____
   _____
   _____

3. Were there any salaries recorded in functions 230, 240, and 25X in the prior year and not in the current year?
Yes _____ No _____

If yes, please list the position, the account coding and the rationale for the change (attach additional sheet if necessary):
_____
_____
_____

4. Were there any non-certificated administrative staff allocated to a support function (exclude clerical positions)?
Yes _____ No _____

If yes, please list the position, account classification, and allocation method used
(attach additional sheet if necessary):
_____
_____
_____

5. Were any supervisor positions, with the exception of "supervisors of instruction," requiring a principal or supervisory certification allocated to a support function?
Yes _____ No _____

If yes, please list the position, account classification, and allocation method used
(attach additional sheet if necessary):
_____
_____
_____

6. Did any of the administrative functions (functions 230, 240, and 25X) have salary expenditures for administrators and no related clerical support salaries? For example, salaries are recorded in function 240-103, salaries of principals/vice principal but nothing was reported in function 240-105, salaries of secretarial and clerical assistants. Yes _____ No _____

If yes, please list the function(s) and rationale (attach additional sheet if necessary):
_____
_____
_____

7. Were there any other line-item transfers or additional appropriations of surplus or unbudgeted revenue to an administrative function? Yes _____ No _____

<u>ADMINISTRATIVE QUESTION No. 8 IS NOT APPLICABLE TO CHARTER SCHOOLS/RENAISSANCE SCHOOL PROJECTS:</u>

8. Did the school district (regular and county vocational) receive a "Warning" edit (#308) produced with the 2014-15 final budget certified for taxes stating that the 2013-14 budgeted per pupil legal costs, revised as of February 1, 2014 is greater than 130% of the state average per pupil legal costs ($56 per pupil for the 13-14 original budget)? Yes_____ No_____

8a. Enter the June 30, 2014 (2013-14 actual costs - per pupil amount) for your district from indicator 8A of the *2015 Taxpayer Guide For Education Spending* – Legal Svc. (Actual cost per pupil):

$_____ (8a.)

http://www.state.nj.us/education/guide/2014/ind.shtml

8b. 130% of the audited statewide average for year ending 6/30/14 per the *2015 Taxpayer's Guide to Education Spending* (released spring 2015): ($43*1.30%) $ 56 (8b.)

8c. *N.J.A.C.* 6A:23A-5.2(a)(3) requires that where the district's audited (pre-audit year, 6/30/14) per pupil legal costs (8a) exceeds the audited statewide average for that year (8b), the district is required to implement the cost containment procedures no later than the earliest board of education meeting subsequent to the next year end detailed at *N.J.A.C.* 6A:23A-5.2 (a)(3)(i) through ((iv), or provide evidence that the implementation of those procedures would not result in a reduction of costs. If 8a above exceeds 8b above, has the district implemented the cost reduction procedures required by resolution adopted at the earliest board of education meeting subsequent to the release of the 2015 Taxpayer Guide to Education Spending?

Yes_____No_____

If "Yes" please provide evidence of the implementation of the required procedures by board resolution. If "No" to 8c, please provide the auditor with evidence to support the assertion that such procedures would not result in a reduction of costs.

CHECKLIST FOR ANNUAL AUDIT
CURRENT OPERATING FUNDS
SCHOOL YEAR 2014-15

( ) 1. Copy of complete budget approved by the executive county superintendent, including supporting documents and statements and any attachments. For charter schools/renaissance school project, the budget only requires county superintendent review; not approval.

( ) 2. The entries in the financial records of the Board Secretary and the Treasurer (if applicable) of school moneys must be up-to-date and balances reconciled.
   a. Complete all posting and closing entries for all financial records, including the net payroll account and payroll agency accounts, and bond and interest account as of June 30, 2015.
   b. All adjusting entries must be made as of June 30 to reflect the accounting records on a modified accrual basis.
   c. Annual report submitted to the board pursuant to N.J.S.A. 18A:17-10.
   d. All entries in the Athletic Association records must be up-to-date and records must be balanced.

( ) 3. Complete Comprehensive Annual Financial Report (CAFR) as of June 30, 2015.

( ) 4. Trial balance reflecting adjusting and closing entries as of June 30, 2015, as support for the CAFR.

( ) 5. All books and records of the board secretary/business administrator including but not limited to:
   a. General Journal for FY 2014-15
   b. Special Purpose Journals for FY 2014-15
   c. General Ledgers for FY 2014-15
   d. Revenue Subsidiary Ledgers for FY 2014-15
   e. Expenditure Subsidiary Ledgers for FY 2014-15
   f. Chart of Accounts for FY 2014-15

( ) 6. All purchase orders for the year.
   a. Analyses of open purchase orders at June 30, 2015.
   b. Separate lists must be prepared for those orders representing accounts payable at June 30th and those orders that will be liquidated and paid in the subsequent fiscal years.
   c. The total of these lists should agree with the June 30th general ledger balances for accounts payable and reserve for encumbrances, respectively.

( ) 7. Monthly reconciliations of all checking accounts must be prepared and available.
   a. Bank statements for 13 months, including related canceled checks, debit and credit memos, returned by the bank and duplicate deposit tickets for the period July 1, 2014 through July 31, 2015.

( ) 8. Monthly reconciliations of Bond and Interest accounts must be prepared and available
   a. Bond and interest accounts must be currently maintained.
   b. Paid bonds and coupons, together with reconciled bank statements on which they are listed chronologically.
   c. The bond register, posted to date.

( ) 9. All cash on hand including the petty cash fund, must be deposited in the bank depository by June 30, 2015.

( ) 10. List of investments, if any, outstanding as of June 30, 2015.

( ) 11. Copies of all applications, third party contracts (when applicable), revenue verification notices, all approved budgets and budget modifications in connection with State and Federal Aid, including information on all approved special programs or projects.

( ) 12. Copies of required financial Special Project Completion Reports filed in connection with State, Federal or special projects, such as SEMI, NCLB, Vocational reports, etc. Copies of prior year Special Project Completion Reports and copies of warrants remitting unexpended balances that were not approved for carryover to the grantor agency.

( ) 12a. Evidence that the district/charter school/renaissance school project had designated an employee who is responsible for the coordination of the district's/charter school's/renaissance school project's SEMI program, and evidence that the identified staff and other identified responsible district/charter school/renaissance school project staff have:

a. Submitted the quarterly updates and certification of the Staff Pool List (SPL)
b. Completed the Random Moment Time Study (RMTS)
c. Submitted the quarterly and annual financial information of the staff listed on the SPL

( ) 13. Request for Local Property Taxes (Forms T-1 and T-2) (N/A to charter schools/renaissance school projects)

( ) 14. Monthly statutory financial statements of the Secretary (Form A-148) and Treasurer (if applicable) (A-149) per *N.J.S.A.* 18A:17-9 and 36.

( ) 14a Annual report submitted to the board pursuant to *N.J.S.A.* 18A:17-10.

( ) 15. Minutes of board meetings, which should be reviewed prior to the audit to determine whether the proceedings are complete and properly signed. In connection with Board action, were the following subject matters recorded in the minutes?

Full spread of the adopted detailed budget
N.J.S.A. 18A:22-8
Board resolutions and full detail of Budget Transfers of line
items with the budget or from surplus.
N.J.S.A. 18A:22-8.1
Board resolutions with two-thirds affirmative vote for transfers (if applicable)
N.J.S.A. 18A:22-8.1
Organization Meeting
N.J.S.A. 18A:10-5
Establishment of Petty Cash Fund
N.J.S.A. 18A:19-13, *N.J.A.C.* 6A:23A-16.8
Official Depositories
N.J.S.A. 18A:17-34
Official Newspaper Designated
N.J.S.A. 18A:18A-21
Bill or Voucher List
N.J.S.A. 18A:19-4
Request for Local Property Taxes (N/A to charter schools/renaissance school projects)
R.S. 54:4-75 (Forms T-1 & T-2) (N/A to charter schools/renaissance school projects)
Change Orders on Awarded Contracts
*N.J.A.C.*6A:23A-21.1
Summary of Bids Received
N.J.S.A. 18A:18A-21

Award of Contracts Bid
N.J.S.A. 18A:18A-36, 37 and *N.J.S.A.*18A:18A-3, 4.
Designation of EUS
N.J.S.A. 18A:18A-5 and *N.J.S.A.*18A:18A-37
Designation of Qualified Purchasing Agent
*N.J.S.A.*18A:18A-3
Authorization of Competitive Contracting Process
N.J.S.A. 18A:18A-4.1, 4.3, 4.4, 4.5
Payment of Emergency Contracts
N.J.S.A. 18A:18A-7
Capital Improvement Authorizations, Proposals and/or Adoptions (N/A to charter schools/renaissance school projects)
N.J.S.A. 18A:22-18 and *N.J.S.A.* 18A:22-39
Monthly Financial Report of the Treasurer of School Moneys (if applicable) (Form A-149)
N.J.S.A. 18A:17-36
Monthly Financial Report of the Secretary
(Form A-148)
N.J.S.A. 18A:17-9
Investments-Authorization, Purchase and Recording
N.J.S.A. 18A:20-37 and *N.J.S.A.* 18A:20-38
Reading and discussion of recommendations of the Annual Report of Audit
N.J.S.A. 18A:23-5
Applicable Resolutions of Cancellations
Establishment of Capital Reserve Fund
N.J.S.A. 18A:7G-31(N/A to charter schools/renaissance school projects)
Establishment of Emergency Reserve Fund
N.J.S.A. 18A:7F-41(c)1
Resolution to request Commissioner approval to transfer funds from the Emergency Reserve
*N.J.S.A.*18A:7F-41(c)(1) (if applicable)

Required Board of Education/Board of Trustees Policies

Travel and Expense Reimbursement Policy
N.J.A.C. 6A:23A-7.2
Public Relations and Professional Services Policy
N.J.A.C. 6A:23A-5.2, 22.6
Policy on SEMI reimbursement
N.J.A.C. 6A:23A-5.3(e)1
Nepotism Policy
N.J.A.C. 6A:23A-6.2; 22.10
Contributions and Contracts Awards Policy
N.J.A.C. 6A:23A-6.3; 22.11
Policy on Exceeding Purchase Order Amounts
N.J.A.C. 6A:23A-6.10; 22.15
Vehicle Tracking and Use Policy (N/A to charter schools/renaissance school projects)

N.J.A.C. 6A:23A-6.11
Prohibition of Harassment, Intimidation, Bullying
N.J.S.A. 18A:37-15
Type I District Minutes (N/A to charter school/renaissance school projects)
Certificates of the amount of money necessary to be appropriated for the ensuing school year as fixed and determined by official action of the board of school estimate (*N.J.S.A.* 18A:22-14).

( ) 16. All vouchers, properly documented, and purchase orders should be available for inspection and review. The secretary should be certain that all paid claims have been properly approved for payment, recorded in the minutes, and that affidavits or declarations have been completed on those exceeding one hundred and fifty dollars *(N.J.S.A.* 18A:19-3).

( ) 17. A separate file including copies of all legal advertisements adopted budget, requests for bids, and resolutions awarding contracts or agreements for professional services.

( ) 18. All contracts, agreements, leases, and bids received in connection with the advertising referred to above. Contracts which the school board/board of trustees has entered into with the State Division of Purchase and Property in the purchase of materials, supplies or equipment for the school district/charter school/renaissance school project must be available for review by the school district/charter school/renaissance school project auditor. Charter schools must provide copies of contracts with an Educational Management Organization (EMO). Renaissance school projects must provide copies of contract(s) between the project and the renaissance school district.

( ) 19. A schedule of all insurance coverage and fidelity bond coverage in effect during the year, and the related policies or continuation certificates, and fidelity bonds.

( ) 20. All employee contracts and a schedule of board approved salaries; a schedule of fringe benefits and post retirement payments by employee, type of benefit, and dollar amount/value; authorization for non-contractual fringe benefits.

( ) 21. A schedule detailing all staff whose position requires a school administrative, principal or school business administrator certificate pursuant to *N.J.A.C.* 6A:9-12.3. Such positions should include superintendent, assistant superintendent, school business administrator, director, principal, assistant/vice principal, etc. The format should include the title, salary, general ledger account code(s), and if all or part of each salary is not coded to a general ledger administrative function (230, 240, or 25X), provide an explanation for the deviation from administration, including any allocation methodology used.

( ) 22. An analysis of any balance in the net payroll or payroll agency account.

( ) 23. Monthly and quarterly remittance returns for all payroll agencies. Payroll tax reports, quarterly and calendar year end, including W-2s, for federal and state.

( ) 23a. Forms 1099 and transmittal form.

( ) 23b. NJ Form E-CERT1, Certification of Compliance with Federal and State Law Respecting the Reporting of Compensation of Certain Employees.

( ) 23c. Evidence of establishment and maintenance of a cafeteria plan for health benefits required by *N.J.S.A.* 18A:16-19.1.

( ) 24. All paid and voided warrants and payroll checks, together with the bank statements on which they are listed, arranged in order by month. Certified and approved payroll registers in chronological order.

( ) 25. All tuition contracts for sending/receiving between public schools, private schools for the disabled, and/or regional day schools and billings rendered on these contracts. (N/A to charter schools/renaissance school projects)

( ) 26. The Treasurer of School Moneys (if the district/charter school/renaissance school project has a treasurer) should have his or her records in order and available during the course of audit.

( ) 27. Board resolution to establish a capital reserve during the audit year, if applicable, per *N.J.S.A.* 18A:7G-31.

( ) 27a Board resolution at year end (June 1 – June 30) to supplement the capital reserve with unanticipated revenue or unexpended line-item appropriation amounts, or both if applicable.

( ) 28. Capital Project file (*N.J.A.C.* 6A:26-3.10). (N/A to charter schools/renaissance school projects)

( ) 29. Long Range Facilities Plan (*N.J.S.A.*18A:7G-4, *N.J.A.C.* 6A:26-2.1). (N/A to charter schools/renaissance school projects)

( ) 30. School Development Authority (SDA) grant agreement (signed). (N/A to charter schools/renaissance school projects)

( ) 31. All contracts, including transportation agreement, leases and conveyances. Include all salary, transportation and other written contracts.

( ) 32. Records, bills, orders and other supporting documentation of Athletic Association.

( ) 33. The October 15, 2014 ASSA, Charter School Enrollment System (CHE) or Renaissance Enrollment Report with supporting workpapers, documentation of internal procedures, school registers, applications for free and reduced meals, State of NJ Household Information Survey Forms (CEP schools), private school tuition contracts and student's individualized education program (IEP).

( ) 34. Approved Preschool Program Operational Plan, the 2014-15 Budget Statement Supporting Documentation Items 15 (Preschool Program Aid) which represent the approved plan, approved Carryover Funds forms and approved Transfer Notification Forms.

( ) 35. Schedule of the amounts reimbursed by the state for the current year FICA employer contribution for its TPAF members on an accrual basis.

( ) 35a. Schedule of the amounts to be reimbursed to the state for the employer's share of the Teachers' Pension and Annuity Fund (TPAF) pension contributions (if any), FICA, and other benefits for TPAF members paid from federally funded programs. Include a copy of the reimbursement form and evidence that the reimbursement was made by October 1 following the fiscal year end.

( ) 36. Analysis for each balance sheet account balance as of June 30, 2015 (see Section I, Chapter 8, page I-8.2) including a schedule of June 30 encumbrances that supports the Reserve for Encumbrance account balance.

( ) 37. Analysis of the miscellaneous income account including a schedule of receivables for miscellaneous income.

( ) 38. Latest SFRA- state aid printout (NET) and payment schedule reflecting the state aid for 2014-15. (N/A to charter schools/renaissance school projects)

( ) 38a. For charter schools only: Projected 2014-15, 10/15/14 and Final 2014-15 Charter School Aid Notices.

( ) 38b. For renaissance school projects only: Projected 2014-15, 10/15/14 and Final 2014-15 (if applicable) Renaissance Aid Notice.

( ) 39. E-rate – funding requests and claims for reimbursement for each of the following eligible service categories: telecommunications services, internet access and internet connections. Universal Service Fund Form 470 (E-rate), Description of Services Requested and Certification and Form 471, Services Ordered and Certification. If received, Form 486, Receipt of Service Notification, and funding commitment letter, if applicable.

( ) 40. The 2013-14 District Report of Transported Resident Students (DRTRS) Eligibility Summary Report produced by the department and the 2014-15 DRTRS Eligibility Summary Report produced by the DRTRS data collection software. (N/A to charter schools/renaissance school projects)

( ) 41. Summary Schedule of Prior Audit Findings prepared in accordance with USOMB Circular A-133 section .315, if applicable;
   a. Corrective Action Plan which was submitted to the executive county superintendent;
   b. Copy of district/charter school/renaissance school projects certification to the executive county superintendent that all corrective action of prior year has been taken.

( ) 42. Copies of any audit or compliance report received from oversight or regulatory agencies during the current year and copies of any dispute resolutions related to prior year issues.

43. Special Education Medicaid Initiative (SEMI) – refer to SEMI Provider Handbook and other correspondence from the NJ Department of the Treasury:

( ) a. Parental consent forms.
( ) b. Documentation to verify that a service was provided on a specific date.
( ) c. Records to indicate that a pupil either has a current IEP that specifies the services or was referred for evaluation.
( ) d. Records identifying the practitioner providing the related service. The record should be adequate to verify that the service was provided to the pupil by a specific practitioner on a specific date.
( ) e. Records of licensure and certification providing documentation in support of the claim that the service providing practitioner(s) are SEMI qualified and that services provided by that practitioner(s) are eligible for reimbursement.

( ) 44. Monthly transfer worksheets to support transfers pursuant to *N.J.A.C.* 6A:23A-13.3(i). (N/A to charter schools/renaissance school projects)

( ) 45. Documentation of the executive county superintendent approval or receipt of the Board of Education's transfer requests pursuant to *N.J.A.C.* 6A:23A-13.3 (f).1.ii. (N/A to charter schools/renaissance school projects)

( ) 46. Documentation of approval by the Commissioner for any transfer prior to April 1 of surplus or unbudgeted or underbudgeted revenue *(N.J.A.C.* 6A:23A-13.3(c)) or for any such transfer between April 1 and June 30, approval by the executive county superintendent as the Commissioner's designee *(N.J.A.C.* 6A:23A-13.3(b)). (N/A to charter schools/renaissance school projects)

( ) 47. Analysis of all debt outstanding during the year and supporting documentation to demonstrate the district's compliance with *N.J.S.A.*18A:55-3. (N/A to charter schools/renaissance school projects)

( ) a. Copies of all notices and communications regarding garnishment of State Aid received from oversight or regulatory agencies during the current year with related repayment terms. (e.g. Department of Labor notification of Delinquency in Unemployment Tax Liabilities).

( ) b. Copies of all notices and communications of the existence of an unauthorized early retirement incentive program (Unauthorized ERIP) received from the New Jersey Department of Treasury.

( ) c. Copies of all notices and communications regarding outstanding loans from the Department of Education pursuant to N.J.S.A. 18A:7A-56 for those school districts to which a State monitor has been appointed.

( ) 48 Documentation to support all out of state travel expenditures should be available.

( ) 49. The 4 former ECPA districts that were approved to expand preschool programs, should have available their "Preschool Education Aid 2014-15 District Budget Planning Worksheet" and supporting documentation items 15a and 15b from their approved 2014-15 district budget. Other former ECPA districts and all ELLI districts should have available including supporting documentation items 15a and 15b from the approved 2013-14 district budget.

Districts required to use school-based budgeting are also required to have the following documents available for the audit:

50. Districts required to use school-based budgeting: (N/A to charter schools/renaissance school projects)

( ) a. School-based budgets
( ) b. Fiscal year 2015 NCLB Consolidated Application.
( ) c. June 30, 2014 (prior year) Comprehensive Annual Financial Report (CAFR)
( ) d. Documentation supporting transactions involving the sale of district surplus property. Surplus property means that property, which is not being replaced by other property under a grant agreement with the New Jersey Schools Development Authority.
( ) e. The "Preschool Education Aid 2014-15 DISTRICT BUDGET PLANNING WORKSHEET and supporting documentation items 15a and 15b from the approved 2014-15 district budget.

<u>Items required for District/School Wide financial statement</u>

( ) 1. Capital asset schedules, including the following detail:

a. Date placed in service.
b. Cost/basis.
c. Beginning of the year balance - accumulated depreciation.
d. Current year depreciation.
e. Ending balance - accumulated depreciation.
f. Classification of the asset. (e.g., land, building, equipment)
g. Method of depreciation. (e.g., straight line)
h. Useful life of each asset used in computing the depreciation. LEAs/charter schools/renaissance school projects may refer to the standard useful life table on page III-6.12 for guidance on useful life of each asset. LEAs/charter schools/renaissance school projects are not required to utilize the standard useful lives suggested but should develop a policy appropriate for the district/charter school/renaissance school project use.
i. Identification by program.

If the asset is specifically identifiable to a program (see the lines used in the Statement of activities), then that program should be noted and depreciation should be charged to that program. If not, there should be an indication that it is not specifically identifiable. The assets should be in one of two categories based on how the each asset is used - 1) governmental fund or 2) business like activity (enterprise fund).

( ) 2. Schedule of long-term liabilities for each of the debt categories; bonds; capital leases; mortgages, compensated absences; other – (specify) and include:
   a. Beginning of year balance
   b. Additions
   c. Reductions
   d. End of year balance
   e. Amount due within one year

( ) 3. Schedule identifying debt balances (e.g. bonds, mortgages, capital leases) related to capital leases to support the calculation of net assets, net of related debt as of June 30. Schedule should indicate the amount of unspent proceeds.

( ) 4. Schedule of interest accrued on long-term debt (bond or mortgage documents to support the calculation of interest accrued to June 30.)

( ) 5. Trust documents (trust instruments or letter specifying restrictions) which support classification as either a permanent trust or private purpose trusts (e.g. scholarships.)

( ) 6. Worksheet calculation for converting from governmental fund balances to net asset balances.

The following table relates to item 1(h) under "Items required for GASBS 34 financial reporting."

Figure 4.1

Asset Class	Examples	Est. Useful Life in Years
Land		N/A
Site Improvements	Paving flagpoles, retaining walls, sidewalk, fencing, outdoor lighting	20
School Buildings		50
Portable Classrooms		25
HVAC Systems	Heating, ventilation, and air-conditioning system	20
Roofing		20
Interior Construction		25
Carpet Replacement		7
Electrical/Plumbing		30
Sprinkler/Fire System	Fire suppression systems	25
Outdoor Equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery & Tools	Shop & maintenance equipments, tools	15
Kitchen Equipment	Appliances	15
Custodial Equipment	Floor scrubbers, vacuums, etc	15
Science & Engineering	Lab equipment, scientific apparatus	10
Furniture & Accessories	Classroom and office furniture	20
Business Machines	Fax, duplicating & printing equipment	10
Copiers		5
Communications Equipments	Mobile, portable radios, non-computerized	10
Computer Hardware	PCs, printers, network hardware	5
Computer Software	Instructional, other short-term	5 to 10
Computer Software	Administrative or long term	10 to 20
Audio Visual Equipment	Projectors, cameras (still & digital)	10
Athletics Equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical Instruments	Pianos, string, Bass, percussion	10
Library Books	Collections	5 to 7
Licensed Vehicles	Buses, other on-road vehicles	8
Contractors Equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressor	10
Grounds Equipment	Mowers, tractors, attachments	15

"This chart originally appeared in the book GASBS Statement No. 34 Implementation Recommendations for School Districts and is reprinted with permission of the Association of School Business Officials International: www.asbointl.org".

CHECKLIST FOR ANNUAL AUDIT
STUDENT ACTIVITY FUND

_____
(NAME OF SCHOOL)

SCHOOL YEAR 2014-15

( ) 1. Monthly bank reconciliations of all checking accounts:

a. Bank statements for 13 months, including related canceled checks returned by the bank and duplicate deposit slips for the period July 1, 2014 through July 31, 2015.

( ) 2. Cash Receipts and Cash Disbursements Journal.

( ) 3. General Ledger of School Accounts.

( ) 4. Paid and unpaid Invoices and Payment Forms covering School Year.

( ) 5. Savings Account Pass Books or Certificates, including interest credited to June 30.

( ) 6. Petty Cash Fund (including unreimbursed invoices) and School Change Fund, if applicable.

( ) 7. Prenumbered receipts for the period July 1, 2014 through July 31, 2015.

( ) 8. Copy of Annual Cumulative Report of Cash Receipts, Cash Disbursements and Balances at June 30, including completion of bank reconciliation at June 30, 2015.

( ) 9. Records, bills, orders and other supporting documentation of the Student Activity Accounts.

( ) 10. All entries in the Student Activity Account records must be up-to-date and records must be balanced.

( ) 11. Copies of board resolutions approving each fund.

( ) 12. Schedule of accounts receivable and accounts payable.

CHECKLIST FOR ANNUAL AUDIT
FOOD SERVICE FUND

_____
(NAME OF SCHOOL)

SCHOOL YEAR 2014-15

( ) 1. Monthly bank reconciliations of all checking accounts.

a. Bank statements for 13 months, including related canceled checks, returned by the bank and duplicate deposit slips for the period July 1, 2014 through July 31, 2015.

( ) 2. Cash Receipts and Cash Disbursements Journal.

( ) 3. General Ledger.

( ) 4. Paid invoices and unpaid invoices applicable to the school year.

( ) 5. Savings Account Pass Books or Certificates, including interest credited to June 30.

( ) 6. Petty cash fund (including unreimbursed invoices) and School Change Fund, if applicable.

( ) 7. Prenumbered receipts or billings for the period July 1, 2014 through July 31, 2015 for special affairs.

( ) 8. Daily cash register tapes, properly identified, and daily cashier reports, indicating reconciliation to deposit.

( ) 9. Reimbursement claims filed and schedule of claims receivable as of June 30.

( ) 10. Copies of advertisements for bids, and copies of such bids awarded.

( ) 11. Schedule of any receivables or payables as of June 30.

( ) 12. Schedule of closing inventory of food and supplies.

( ) 13. Copy of annual food service manager's report of operations for the school year.

( ) 14. Agreement for School Nutrition Programs dated, signed by authorized representative and approved by New Jersey State Department of Education/Agriculture Officials. (all done by certification on a web-based system – SNEARS)

( ) 15. Eligibility documents for free and reduced price meals.

( ) 16. Meal count records, Edit Check Worksheets and daily summary sheets of number and type of meals served.

( ) 17. Monthly Report (Summary of Meals Claimed) and Payment Log for period of audit. (in SNEARS)

( ) 18. Verification summary (in SNEARS).

( ) 19. Food Service Management Company contract (if applicable).

( ) 20. Paid invoices to Food Service Management Company with fully itemized and verified bills (if applicable).

( ) 21. Records, bills, orders and supporting documentation of the Food Service Fund.

( ) 22. All entries in the Food Service Fund records must be up-to-date and records must be balanced.

( ) 23. Food Service Management Company (FMSC) SSAE No. 16 Type 2 Report (formerly known as SAS #70 report) (if applicable).

( ) 24. FSMC records identifying amounts of discounts, rebates and other applicable credits.

( ) 25. FSMC accounting of donated commodities used during the year.

( ) 26. Child Nutrition Program Agreement Addendum to participate in the Fresh Fruit and Vegetable Program, if applicable

( ) 27. Provide documentation supporting current status of all prior year CNP findings (if applicable)

A U D I T Q U E S T I O N N A I R E 2014-15

(To Be Completed by the Public School/Charter School/Renaissance School Project Auditor)

SCHOOL DISTRICT/CHARTER SCHOOL/RENAISSANCE SCHOOL PROJECT COUNTY _____

The Audit Questionnaire is a checklist of items specific to New Jersey school districts/charter schools/renaissance school projects which auditors should include as part of the audit workpapers to support the auditor's opinion on the district's/charter school's/renaissance school project's compliance with laws and regulations. This checklist should be signed by the auditor and kept with the auditor's workpapers and available to the department upon request.

Irregularities shown by answers given to questions must be covered by a comment and recommendation in the Auditor's Management Report.

1. Was the school district/charter school/renaissance school project able to demonstrate an accounting system that was maintained in accordance with Governmental GAAP and the State prescribed publication entitled GAAP for New Jersey School Districts, A Technical Systems Manual? Yes__ No ___

2. Were copies of the following reports completed and available for examination?

	Yes	No	Not Applicable
Treasurer's (if applicable) Monthly Financial Statements. (N.J.S.A. 18A:17-36) (Form A-149)	_____	_____	_____
Secretary's Monthly Financial Report filed on a monthly basis. (N.J.S.A. 18A:17-9a) (Form A-148)	_____	_____	_____
Was the year-end report (June 30, 2015 A-148) prepared by the secretary, passed by board resolution and reflected in the minutes of the Board of Education/Board of Trustees at the July meeting?	_____	_____	_____
T.P.A.F. Reimbursement for June 30 – **Refer to Section II-20 for detailed information. (*N.J.S.A.*18A:66-90)**	_____	_____	_____
Vocational Education.	_____	_____	_____

3. Were the following Cash Reconciliations prepared monthly? If no, explain.

	Monthly		
	Yes	No	N/A
General Operating Fund	_____	_____	_____
Capital Projects Fund (N/A to charter schools/renaissance school projects)	_____	_____	_____

	Yes	No	N/A
Food Service Fund	_____	_____	_____
Net Salary Account	_____	_____	_____
Payroll Agency Account	_____	_____	_____
Permanent Fund	_____	_____	_____
Trust Fund	_____	_____	_____
Athletic Fund	_____	_____	_____
Student Activity Accounts	_____	_____	_____
Bond and Coupon Account (N/A to charter schools/renaissance school project)	_____	_____	_____

4. (A) Was the following information verified utilizing the bookkeeping records, maintained in accordance with Governmental GAAP?

	Yes	No	N/A
Tuition Billings (N/A to charter schools/renaissance school project)	_____	_____	_____
Tuition Accounts Receivable (N/A to charter schools/renaissance school project)	_____	_____	_____
Rental Billings	_____	_____	_____
Rental Revenue Accounts Receivable	_____	_____	_____
Miscellaneous Revenue	_____	_____	_____
Miscellaneous Revenue Accounts Receivable	_____	_____	_____
Accounts Payable (including liabilities due to grantor agencies)	_____	_____	_____
Outstanding Purchase Orders	_____	_____	_____
Analysis of Net Payroll Account Balances	_____	_____	_____
Analysis of Payroll Agency Account Balances	_____	_____	_____

(B) Were the Board Secretary/Business Administrator Administrative Classifications Questionnaire and audit checklists (Operating Fund, Student Activity Fund and Food Service Fund) completed by the Board Secretary/Business Administrator and were the records ready for audit?
Yes_____ No _____

5. Were the following revenue verification notices on hand for examination?

	Yes	No	N/A
Restricted State Aid (NET) (N/A to charter schools/renaissance school projects)	_____	_____	_____
Debt Service Aid (DS9, DS10) (N/A to charter schools/renaissance school projects)	_____	_____	_____
Nonpublic School State Aid (N/A to charter schools/renaissance school projects)	_____	_____	_____
Vocational Education	_____	_____	_____
E.S.E.A./NCLB Funds (List by Funds)			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Other: _____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

6. Were certifications obtained by the auditor from the Municipal Treasurer(s) for the date and amount of payments of installments of the Local Tax Levy? (N/A to charter schools/renaissance school projects)
Yes _____ No _____ N/A _____

7. (A) Were the minutes properly signed?
Yes _____ No _____

(B) Are pre-numbered pages and/or marginal notes used in the maintenance of the minutes? Yes_____ No_____

(C) In connection with Board action, were the following subject matters recorded in the minutes?

	Yes	No	N/A
Full spread of the adopted detailed budget *N.J.S.A.* 18A:22-8	_____	_____	_____
Full detail of Budget Transfers *N.J.S.A.* 18A:22-8.1	_____	_____	_____
Organization Meeting *N.J.S.A.* 18A:10-5	_____	_____	_____
Establishment of Petty Cash Fund *N.J.S.A.* 18A:19-13, *N.J.A.C.* 6A:23-2.9	_____	_____	_____
Official Depositories *N.J.S.A.* 18A:17-34	_____	_____	_____
Official Newspaper Designated *N.J.S.A.* 18A:18A-21	_____	_____	_____
Bill or Voucher List *N.J.S.A.* 18A:19-4	_____	_____	_____
Request for Local Property Taxes (N/A to charter schools/renaissance school projects) R.S. 54:4-75	_____	_____	_____
Change Orders on Awarded Contracts *N.J.A.C.* 6A:23-7.1	_____	_____	_____
Authorizations for Advertisement of Bids *N.J.S.A.* 18A:18A-21	_____	_____	_____
Summary of Bids Received *N.J.S.A.* 18A:18A-21	_____	_____	_____
Award of Contracts Bid *N.J.S.A.* 18A:18A-36, 37 and *N.J.S.A.*18A:18A-3, 4,	_____	_____	_____
Designation of EUS *N.J.S.A.* 18A:18A-5 and *N.J.S.A.*18A:18A-37	_____	_____	_____
Designation of Qualified Purchasing Agent *N.J.S.A.*18A:18A-3	_____	_____	_____
Authorization of Competitive Contracting Process *N.J.S.A.* 18A:18A-4.1, 4.3, 4.4, 4.5	_____	_____	_____
Payment of Emergency Contracts *N.J.S.A.* 18A:18A-7	_____	_____	_____
Capital Improvement Authorizations, Proposals and/or Adoptions (N/A to charter schools/renaissance school projects) *N.J.S.A.* 18A:22-18 and *N.J.S.A.* 18A:22-39	_____	_____	_____
Monthly Financial Report of the Treasurer of School Moneys (if applicable) (Form A-149) *N.J.S.A.* 18A:17-36	_____	_____	_____
Monthly Financial Report of the Secretary (Form A-148) *N.J.S.A.* 18A:17-9	_____	_____	_____
Investments-Authorization, Purchase and Recording *N.J.S.A.* 18A:20-37 and *N.J.S.A.* 18A:20-38	_____	_____	_____
Reading and discussion of recommendations of the Annual Report of Audit *N.J.S.A.* 18A:23-5	_____	_____	_____

	Yes	No	N/A
Applicable Resolutions of Cancellations	_____	_____	_____
Establishment of Capital Reserve Fund *N.J.S.A.*18A:7G-31	_____	_____	_____
Establishment of Emergency Reserve Fund *N.J.S.A.* 18A:7F-41(c)1 (if applicable)	_____	_____	_____
Board acknowledgment of audit firm peer review report *N.J.A.C.* 6A:23A-16.2(i)2	_____	_____	_____

Required Board of Education/Board of Trustees Policies

	Yes	No	N/A
Travel and Expense Reimbursement Policy *N.J.S.A.* 18A:11-12, *N.J.A.C.*6A:23A-6.13, 7.2	_____	_____	_____
Public Relations and Professional Services Policy *N.J.A.C.* 6A:23A-5.2; 22.6	_____	_____	_____
Policy on SEMI Reimbursement *N.J.A.C.* 6A:23A-5.3(e)1	_____	_____	_____
Nepotism Policy *N.J.A.C.* 6A:23A-6.2; 22.10	_____	_____	_____
Contributions & Contract Awards Policy *N.J.A.C.* 6A:23A-6.3; 22.11	_____	_____	_____
Policy on Exceeding Purchase Order Amounts *N.J.A.C.* 6A:23A-6.10; 22.15	_____	_____	_____
Vehicle Tracking and Use Policy *N.J.A.C.* 6A:23A-6.11	_____	_____	_____
Harassment, Intimidation or Bullying Policy *N.J.S.A.* 18A:37-15	_____	_____	_____

8. Type I District Minutes. (N/A to charter schools/renaissance school projects)

   (A) Did the board of school estimate fix and determine by official action the amount of money necessary to be appropriated for the ensuing school year? Yes ____ No _____

   (B) Were certificates of such amounts delivered to the board and to the governing body of the district per *N.J.S.A.* 18A:22-14? Yes_____ No _____

9. (A) Are records maintained in conformance with requirements prescribed by the state board of education/board of trustees per *N.J.A.C.* 6A:23A-16.1; 22.1? Yes_____ No _____

   (B) If an electronic data processing bookkeeping service company is used, is an audit of the internal controls of the service company on file per *N.J.A.C.* 6A:23A-16.6? Yes_____ No _____

10. (A) Condition of Records: Comment on needed improvements in the Auditor's Management Report.

	Satisfactory	Unsatisfactory
Treasurer (if applicable)-General	_____	_____
Secretary-General	_____	_____
Capital Projects (N/A to charter schools/renaissance school projects)	_____	_____
Food Service	_____	_____
Payroll	_____	_____
Permanent Fund	_____	_____
Trust Fund	_____	_____
Athletic Funds	_____	_____
Student Activity Funds	_____	_____
Bond and Coupon (N/A to charter schools/renaissance school projects)	_____	_____
Other:		
_____	_____	_____
_____	_____	_____
_____	_____	_____

(B) Are the Treasurer's (if applicable) records maintained independently of the Board Secretary's?
Yes_____ No _____

(C) Were records of the Treasurer (if applicable) and Board Secretary reconciled on a monthly basis?
Yes_____ No _____

(D) In your opinion, are the books and records of any official in such unsatisfactory condition that comment and recommendation is made in the Auditor's Management Report?
Yes _____ No _____ N/A _____
If answer is "yes", specify the officials referred to _____

_____

11. (A) Were all payrolls approved by the Superintendent/Chief School Administrator and certified by the Secretary and President of the Board prior to issuance of salary checks? Yes___ No____

(B) Were bank deposits to Payroll Salary and Agency accounts detailed as to sources of Appropriations, Special Funds, Refund or Other Sources? Yes_____ No _____

(C) Where outside services (computer services, etc.) are utilized, are the records adequate and do they leave an "audit trail?" Yes_____ No _____

(D) Were payroll tax filings properly prepared, including fringe benefits where applicable?
Yes_____ No _____

(E) Was a review of the position control roster performed to ensure that only active and eligible employees are included in pension and benefits reports?

Yes_____ No _____

(G) For districts with an assigned state-appointed monitor, was the salary of the monitor properly reported on line 230-180, General Administrative Salaries-State Monitor?

Yes_____No_____N/A-_____

(H) Was prior confirmation from the Executive County Superintendent that a quantitative or qualitative merit criterion had been met prior to payment of a merit bonus payment?

Yes_____No_____N/A-_____

12. (A) Is there a requisition system operative in the district/charter school/renaissance school project?

Yes_____ No _____

(B) Is there a sequential purchase order system operative in the district/charter school/renaissance school project?

Yes_____ No_____

(C) Are purchase orders numerically recorded in a central register? Yes_____ No _____

(D) Is an encumbrance system utilized in accordance with Governmental GAAP?

Yes_____ No _____

13. Are there credit cards utilized by board members and employees? Yes_____ No _____
If answer is "yes", a comment and recommendation is required.

14. (A) Are tuition contracts available for sending/receiving between public schools, private schools for the disabled and/or regional day schools using the state prescribed contract form? (N/A to charter schools/renaissance school projects)

Yes_____ No _____

(B) Are billings being rendered according to the terms of the state prescribed contract forms?

Yes_____ No _____

15. Were the monthly certifications of line-item appropriations and fund status filed in accordance with *N.J.A.C.* 6A:23A-16.10(c) and Division of Finance Policy Bulletin 200-11?

Yes_____ No _____

(If no, appropriate comments and recommendations must be included in the annual audit report)

16. Has the Board's Records Custodian adopted and made available to the public a Records Request Form (*N.J.S.A.* 47:1A-5(f)) (OPRA)? Yes_____ No _____

17. Has the statement of rights of appeal been posted pursuant to N.J.S.A. 47:1A-5(j) (OPRA)?

Yes ____No _____

18. Expenditure Classification Test Results Summary

Dollar Value of Items Tested	$ _____
Dollar Value of Errors Noted	$ _____
Dollar Value Error Rate	_____%
Total Expenditures*	$ _____

*General Fund and Special Revenue Fund excluding on-behalf payments for TPAF (pension and FICA).

19. Is the district/charter school/renaissance school project appropriately assisting the State in maximizing federal participation pursuant to section 7 of P.L. 1968, c.413 (C.30:4D-7) (SEMI Program)? Consider the following:

(A) Has the district/charter school/renaissance school project appointed a SEMI Coordinator or contact person? Yes _____No_____

(B) Has the district/charter school /renaissance school project applied for participation in the SEMI Program with the Department of Education, Medicaid and the third party billing administrator? Yes _____No _____

(C) Has the district/charter school/renaissance school project completed a Memorandum of Understanding with the New Jersey Department of the Treasury? Yes_____No_____

(D) Do the IEPs identify services which are eligible for reimbursement under the SEMI Program? Yes _____No _____

(D1) Has the district/charter school/renaissance school project documented delivery of the services identified for reimbursement in item D above to eligible students by Medicaid qualified practitioners in the third party administrator's proprietary software system? Yes_____No_____

(E) Does the district/charter school/renaissance school project have a process for identifying new students eligible for the SEMI Program? Yes _____No_____

(F) Does the district/charter school/renaissance school project have a process for acquiring parental consent for students eligible for the SEMI Program? Yes _____No _____

(G) Are parental consent forms available in the student file? Yes _____No_____

(H) Does the district/charter school/renaissance school project have a process for documenting expenditures reimbursement under the SEMI Program (refer to the SEMI Provider Handbook)? Yes_____No_____

(I) Has the district/charter school/renaissance school project been updating service data in a timely manner? Yes _____No _____

(J) Are annual reviews held for the students in the SEMI Program? Yes _____No _____

(K)Are IEPs available for claims made under the SEMI Program? Yes_____No_____

(L) Has the district identified a staff member responsible for the staff pool list (SPL)?
Yes_____ No_____

(L1) Are the identified responsible district staff members updating and certifying the required quarterly staff pool list (SPL) submissions in the third party administrator's proprietary software system in a timely manner? Yes_____No_____

(M) Are the selected district staff members who are listed on the district's/charter school's/ renaissance school project's staff pool list responding in a timely manner to the Random Moment Time Study (RMTS)? Yes_____No_____

(N) Has the district/charter school/renaissance school project designated staff responsible for submitting the quarterly and annual financial information of the staff listed on the SPL in the third party administrator's proprietary software system? Yes _____No _____

(N1) Has the designated district/charter school/renaissance school project staff responsible for submitting the required quarterly and annual financial information been updating and certifying the required quarterly and annual financial information of the staff listed on the SPL in a timely manner?
Yes_____No_____

20. Were administrative staff whose position requires a school administrative, principal or school business administrator certificate recorded in the administrative functions, and if not was the account coding in compliance with department guidance (NJ Chart of Accounts) and was proper supporting documentation maintained for any allocations? Yes _____No _____

21. Were proper approvals obtained for cumulative line-item transfers greater than 10% and/or appropriation of surplus or under budgeted or unbudgeted revenue pursuant *N.J.A.C.* 6A:23A-13.3
Yes _____No _____

22. Did the district/charter school/renaissance school project file its annual report required by *N.J.S.A.* 18A:17-10 by August 1, 2015? Yes _____ No _____

23. Is the school district/charter school/renaissance school project current in submitting all claims for reimbursable costs under the Federal E-rate program (the Schools and Libraries Universal Support Mechanism) for encouraging the use of the internet?
Yes_____No_____

24. Has the school district/charter school/renaissance school project applied for the maximum amount of Federal E-rate program funds in each of the following areas:

(A) Telecommunications Services Yes_____No_____
(B) Internet Access Yes_____No_____
(C) Internet Connections Yes_____No_____

25. Did the school district/charter school/renaissance school project participate in the following cost savings programs during 2014-15? (N.J.S.A. 18A:55-3 and *N.J.A.C.* 6A:23A-6.1(b))

(A) Alliance for Competitive Energy Services (ACES) Yes_____No_____

If no, why didn't the district/charter school/renaissance school project participate?
_____
_____
_____

(B) Alliance for Competitive Telecommunications (ACT) Yes_____No_____

If no, why didn't the district/charter school/renaissance school project participate?
_____
_____
_____

(C) New Jersey School Boards Association Insurance Group or a joint insurance fund
Yes_____No_____
If no, why didn't the district/charter school/renaissance school project participate?
_____
_____
_____

(D) New Jersey State Health Benefits Plan Yes_____No_____
If no, why didn't the district/charter school/renaissance school project participate?
_____
_____
_____

26. Did the district refinance all outstanding debt where a three percent net present value savings threshold was achievable pursuant to N.J.S.A. 18A:55-3? (n/a charter schools/renaissance school projects)
Yes____No_____

27. Does the school district have a current Position Control Roster (PCR) as required by N.J.A.C. 6A:23A-6.8? (N/A to charter schools/renaissance school projects) Yes____No____

28. Are all the following required components included in the Position Control Roster as required by N.J.A.C. 6A:23A-6.8? (N/A to charter schools/renaissance school projects)

i. A permanent position tracking number Yes_____No_____
ii. A substitute control number for each location and amount for that location, which shall agree to the detail provided pursuant to N.J.A.C. 6A:23A-6.8(a)3(iv) Yes_____No_____
iii. An overtime control number for each location and amount for that location, which shall agree to the detail provided pursuant to N.J.A.C. 6A:23A-6.8(a)3(v) Yes_____No_____
iv. An extra pay control number for each location and amount for that location, which shall agree to the detail provided in pursuant to N.J.A.C. 6A:23A-6.8(a)3(vi) Yes_____No_____
v. The status of the position (filled, vacant, abolished, etc.) N.J.A.C. 6A:23A-6.8(a)3(vii)
Yes_____No_____
vi. An indication of whether the employee is retiring in the budget year including costs associated with the retirement such as contractual buyouts Yes_____No_____
vii. The certified position title Yes_____No_____
viii. The assignment position title Yes_____No_____

ix. Separately identified base salary, step, lane, longevity, guide, stipends by type, overtime and other extra compensation for the most recent audit year (actual), the pre-budget year (revised budget) and the budget year (projected) Yes_____No_____

x. The benefits paid by the school district, net of employee reimbursement, by type of benefit and FICA Yes_____No_____

xi. The expenditure account codes including the special revenue fund and the enterprise funds Yes_____No_____

xii. The position's full-time equivalent value Yes_____No_____

xiii. The date the position was filled Yes_____No_____

xiv. The date the position was originally created by the board. If the date the position was originally created by the board is not available, this item shall represent the date the person currently filling that position was approved by the board Yes_____No_____

xv. The building the position is assigned to Yes_____No_____

xvi. The employee name Yes_____No_____

xvii. The date of hire Yes_____No_____

29. Is the Position Control Roster accurate, timely and complete? Yes_____No_____

(#29 is N/A to charter schools/renaissance school projects)

30. Does the district's/charter school's/renaissance school project's actual audited per pupil /charter schools/renaissance school projects cost for the year ended June 30, 2014 exceed 130% of the 2013-14 audit statewide average legal cost per pupil published in the 2015 *Taxpayers Guide to Education Spending*? (Note to auditor: Refer to question 8 of the Administrative Questionnaire)
Yes_____No_____

(A) If yes, has the district provided evidence that the procedures required by *N.J.A.C.* 6A:23A-5.2(a)(3); 22.6(a)(3) have been adopted by resolution or memo at the earliest board meeting subsequent to the release of the 2015 *Taxpayers Guide to Education Spending*?
Yes_____No_____

(B) If no, has evidence been provided that such procedures would not result in a reduction of costs?
Yes_____No_____

QUESTIONS 31 THROUGH 33 ARE APPLICABLE ONLY TO DISTRICTS REQUIRED TO USE SCHOOL-BASED BUDGETING (N/A to charter schools/renaissance school projects)

31. Were the school-based budgets available for all schools within the district which have implemented school-based budgeting? Yes_____ No _____

32. Did the district obtain approval to operate a Title I Schoolwide Program in each of its schools where federal dollars are blended in the school-based budgets? Yes ____ No _____

33. Did the school district apply for and implement Federal programs in a timely and appropriate manner? Yes____No ____

QUESTION 34 APPLICABLE ONLY TO CHARTER SCHOOLS

34. Does the charter school have a contract for educational or business services with an Educational Management Organization (EMO)? If no, skip to question #35. Yes____ No____

34a. Did the charter school adhere to public school contract guidelines pursuant to N.J.S.A. 18A:18A in the selection of an EMO and in all school-related purchasing? Yes____ No ____

34b. Did the charter school relinquish any of its powers as delineated in N.J.S.A. 18A: 36A-3(a), 6, 14(a), and (b) to a contractor or vendor such as an EMO? Yes____ No ____

34c. If any members of the EMO board are also voting members of the charter school board of trustees, did the EMO-related member recuse him/her on all related-party transactions? Yes____ No ____

QUESTION 35 THROUGH 41 APPLICABLE ONLY TO CHARTER SCHOOLS/ RENAISSANCE SCHOOL PROJECTS

35. Does the charter school/renaissance school project have a fully composed and functioning board of trustees? __Yes____ No ____

36. Is the charter school/renaissance school project utilizing the services of a Certified School Business Administrator who is performing all duties and responsibilities of this title? __ Yes ____ No ___

37. Does the board on a monthly basis approve all expenditures before payment of invoices? Yes _____No _____

38. Do the President and Board Secretary /School Business Administrator sign all checks/warrants? Yes _____No _____

39. For Renaissance School Projects only, is there evidence of the non-profit status of the school operator in accordance with *N.J.S.A.* 18A:36C-4? Yes _____No _____

40. For Charter Schools Only, did the charter school establish and maintain an Escrow Account of at least $75,000 pursuant to N.J.A.C. 6A:11-1.2. Yes _____No _____

41. If a violation in any of the above areas was noted, does the auditor's management report include findings and corresponding recommendations? Yes _____No _____

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SECTION III – REPORTING
CHAPTER 7 – AUDIT SYNOPSIS, CORRECTIVE ACTION PLAN AND CERTIFICATION OF IMPLEMENTATION OF PRIOR YEAR'S CORRECTIVE ACTION PLAN
(Chapter 7 is applicable to school districts, charter schools and renaissance school projects)

Synopsis and Hearing of Audit

***N.J.S.A.* 18A:23-3 states in part that "The Commissioner annually shall publish a summary of such recommendations as made for each school district and the steps which have been taken in each district for their implementation."**

***N.J.S.A.* 18A:23-4 states "The secretary of the board shall prepare or have prepared a synopsis or summary of the annual audit and recommendations, prior to the holding of the meeting of the board of education to take action thereon; A copy of which synopsis or summary shall be available for distribution to interested parties at the meeting."**

In order to comply with the above requirements, it is requested that the Secretary of the Board prepare the audit synopsis under the following format:

a. Governmental Funds Balance Sheet (Exhibit B-1).
b. Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance (Exhibit B-2).
c. Reflect each audit recommendation under the applicable heading listed below. Include the sub headings listed on page III-4.2:
    1. Administrative Practices & Procedures
    2. Financial Planning, Accounting & Reporting
    3. School Purchasing Programs
    4. School Food Service
    5. Student Body Activities
    6. Application for State School Aid
    7. Pupil Transportation
    8. Facilities and capital assets
    9. Miscellaneous
    10. Follow-up on prior year findings

d. A copy of the minutes of the board meeting at which the audit recommendations were read and discussed must be filed with the executive county superintendent of schools together with the synopsis within 30 days following the meeting at which the audit was discussed. **Specific board action and disposition of each audit recommendation must be duly noted in the minutes of the board. A general statement of the Board's acceptance of the audit and recommendations is NOT in compliance. In addition, the minutes must address the corrective actions voted by the board and a completed Corrective Action Plan signed by both the chief school administrator and the board secretary/school business administrator must be included with the synopsis.**

e. The Corrective Action Plan must address all findings contained in the Comprehensive Annual Financial Report (CAFR) and the Auditor's Management Report (AMR) with appropriate subheadings.

The copy of the minutes, synopsis and corrective action plan for the fiscal year ended June 30, 2015 are submitted via upload to the CAFR repository at http://homeroom.state.nj.us/ to the executive county superintendent who will review for accuracy and completeness and to the State Department of Education. A district/charter school/renaissance school project that does not have current year CAFR or AMR

findings is not required to file a "NONE" corrective action plan with the executive county superintendent. **Please see the following page for a sample Audit Year Corrective Action Plan (CAP).**

The school business administrator must submit a certification of implementation when all corrective actions for the fiscal year ended June 30, 2015 have been fully implemented (see template below and the sample format on page III-7.3), no later than June 30th of the subsequent fiscal year.

For printable forms for submission to the Special Audits Unit, please see below:

TEMPLATE Certificate of Implementation Corrective Action Plan

TEMPLATE FY2015 Corrective Action Plan

[**SAMPLE**] CERTIFICATION OF IMPLEMENTATION OF CORRECTIVE ACTION PLAN

For the Fiscal Year ended June 30, 2015

School District/Charter School /Renaissance School Project _____
County_____

I hereby certify that all corrective actions listed on the district's /charter school's/renaissance school project's Corrective Action Plan (CAP) for the fiscal year indicated above have been fully implemented with the following exceptions:

CAP
Recommendation
Number

_____ _____[Comments]_____
_____[Comments]_____

_____ _____[Comments]_____
_____[Comments]_____

_____ _____
Board Secretary/Business Administrator Date

_____ _____
Chief School Administrator Date
Charter/Renaissance School Leader

For fiscal year ended June 30, 2015 submit no later than June 30, 2016 via upload to the CAFR repository at http://homeroom.state.nj.us/

(SAMPLE) CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2015

***Not Required if there are no findings noted in both the CAFR and AMR.**

SCHOOL DISTRICT/CHARTER/RENAISSANCE SCHOOL PROJECT _____
COUNTY _____
CONTACT PERSON _____
TYPE OF AUDIT _____
TELEPHONE NUMBER _____
DATE OF BOARD MEETING _____

RECOMMENDATION NUMBER	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION

_____ _____
CHIEF SCHOOL ADMINISTRATOR **DATE**

_____ _____
BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR **DATE**