

CRITICAL POLICY REFERENCE MANUAL

Charter School Edition

Academy Charter High School

FILE CODE: 3220/3230

Monitored

Mandated

Other Reasons

STATE FUNDS; FEDERAL FUNDS

Each year, when it is believed that the school is eligible for federal and/or state assistance under the provisions of public law, application for said assistance may be submitted so long as acceptance of the funds does not include conditions contrary to the policies of the board of trustees. The lead person shall inform the board about specific assurances which may be required in addition to those addressed in this policy, and will provide the required language for board adoption.

When the law requires the development and implementation of administrative procedures for submitting state and federal financial reports, with specified time schedules, the lead person and board secretary shall ensure that the staff has properly completed the reports and that in each instance the reports have been submitted within the specified time.

The regular operating budget must include amounts anticipated to be received from state and/or federal sources, and a listing of projects describing how this money will be spent. These recommendations for expenditures will be approved by the board before projects are submitted.

If additional amounts become available during the year, additional projects will be recommended to the board and, with its approval, added to the budget.

Maintenance of Effort

The board of trustees will maintain a combined fiscal effort per student or aggregate expenditures of state and local funds with respect to the provision of the public education for the preceding fiscal year that is not less than the required amount of the combined fiscal effort per student or the aggregate expenditures for the second preceding fiscal year.

Equivalence

To be in compliance with the requirements of federal law, the board of trustees directs the lead person to assign staff and distribute curriculum materials and instructional supplies to the school in such a way that equivalence of personnel and materials is ensured among the school.

Supplement not Supplant

Federal funds shall be used for supplementary services only and shall not be used to replace services that the school would supply eligible students, if state and federal funds were not available.

Parent/Guardian Participation

The school shall implement parent/guardian consultation and participation, advisory councils, etc., as mandated for the specific program.

Control of Equipment

Title to and control over equipment and/or property purchased with federal funds shall be maintained in accordance with the pertinent federal regulations. The lead person shall develop written procedures outlining federal ownership and school use, loan, loss and disposal of such equipment/property.

STATE FUNDS; FEDERAL FUNDS (continued)Reimbursement Requests

When **Academy Charter High School** is a subgrantee of grants awarded by the Federal government to the State of New Jersey, the school shall submit reimbursement requests using the Electronic Web-Enabled Grant (EWEG) System or SAGE. Expenditures must be supported by documentation at the subgrantee level. Documentation for salary expenditures will be according to the applicable federal circular. Expenditures must be for allowable costs. Expenditures must be related to the subgrantee's cost objectives. Expenditures will be reviewed to determine that:

- A. Adequate description of expenditures is provided;
- B. No new budget category is created; and
- C. Reimbursement does not exceed the allowable threshold for an amendment as a result of cumulative transfers among expenditure categories.

Reimbursement requests will be certified by the board as being in accordance with approved grant applications. EWEG reimbursement requests will meet NJDOE timelines and deadlines. The school shall assume all responsibility for assuring that all funds requested through the EWEG system either have already been expended, or will be expended according to the requirements of the Cash Management Improvement Act of 1990 (CMIA) and other applicable federal regulations.

Financial Fraud and Theft Prevention

All employees, board members, consultants, vendors, contractors and other parties maintaining a business relationship with the school shall act with integrity and due diligence in matters involving state grants, federal grants, and other fiscal resources.

The lead person shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety or fiscal irregularities within the school. Every member of the school's administrative team shall be alert for any indication of fraud, financial impropriety or irregularity within his/her areas of responsibility.

As used in this policy, "fraud" refers to intentionally misrepresenting, concealing or misusing information in an attempt to commit fiscal wrongdoing. Fraudulent actions include, but are not limited to:

- A. Behaving in a dishonest or false manner in relation to school assets, including theft of funds, securities, supplies or other properties;
- B. Forging or altering financial documents or accounts illegally or without proper authorization;
- C. Improper handling or reporting of financial transactions;
- D. Personally profiting as a result of insider knowledge;
- E. Disregarding confidentiality safeguards concerning financial information;
- F. Violating board conflict of interest policies;
- G. Mishandling financial records of school assets (destroying, removing or misusing).

The lead person shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information

STATE FUNDS; FEDERAL FUNDS (continued)

about the investigation confidential.

In the event the concern or complaint involves the lead person, the concern shall be brought to the attention of the board president who is hereby empowered to contact the board's legal counsel, auditing firm and any other agency to investigate the concern or complaint.

Adoption: April 11, 2013

Key Words

State Funds, Federal Funds, Disposal of Equipment, State/Federal Funds

Legal References: N.J.S.A. 18A:7F-43 et seq. School Funding Reform Act of 2008
N.J.S.A. 18A:7G-1
 through -44 et al. Educational Facilities Construction and Financing Act
N.J.S.A. 18A:11-1 General mandatory powers and duties
N.J.S.A. 18A:34-1 Textbooks; selection; furnished free with supplies;
 appropriations
N.J.S.A. 18A:36A-1 et seq. Charter School Program Act of 1995
N.J.S.A. 18A:38-7.7
 through -7.14 Legislative findings and declarations (impact aid)
N.J.S.A. 18A:58-7.1 School lunch program
N.J.S.A. 18A:58-7.2 School lunch program; additional state aid
N.J.S.A. 18A:58-11 Emergency aid
N.J.S.A. 18A:58-33.6
 through -33.21 Additional State School Building Aid Act of 1970
N.J.S.A. 18A:58-37.1
 through -37.7 Textbook Aid to Public and Nonpublic Schools
N.J.S.A. 18A:59-1
 through -3 Federal aid
N.J.A.C. 6A:14-1.1 et seq. Special Education
N.J.A.C. 6A:23A-8.1 et seq. Annual budget development, review and approval
N.J.A.C. 6A:23A-19.1 Emergency aid
N.J.A.C. 6A:23A-22.4 Financial requirements (charter schools)
N.J.A.C. 6A:26-1.1 et seq. Educational Facilities
N.J.A.C. 6A:27-8.1 et seq. State Aid
N.J.A.C. 6A:32-14.1 Review of mandated programs and services
 Hawkins-Stafford Elementary and Secondary School Improvement Amendments
 of 1988 (Pub. L. 100-97)
 20 U.S.C.A. 1401 et seq. - Individuals with Disabilities Education Act
 29 U.S.C.A. 794 et seq. - Section 504 of the Rehabilitation Act of 1973
 Drug-Free Workplace Act of 1988
 34 CFR 80 (7-1-05) monitoring districts' use of federal grant funds
 Education Department General Administrative Regulations (EDGAR)
 34 CFR Part 85, Governmentwide Debarment and Suspension (nonprocurement)
 and Governmentwide Requirements for Drug-Free Workplace (Grants)

STATE FUNDS; FEDERAL FUNDS (continued)

34 CFR 200.1 et seq.

34 CFR 80 (7-1-05) monitoring districts' use of federal grant funds

No Child Left Behind Act of 2001, Pub. L. 107-110, 20 U.S.C.A. 6301 et seq.

Possible

<u>Cross References:</u>	*3100	Budget planning, preparation and adoption
	*3160	Transfer of funds between line items/amendments/purchases not budgeted
	3500.1	Energy
	*3541.1	Transportation routes and services
	*3542.31	Free or reduced-price lunches/milk
	*3570	School records and reports
	*4119.23	Employee substance abuse
	*4219.23	Employee substance abuse
	*6142.2	English as a second language; bilingual/bicultural
	*6142.6	Basic skills
	*6142.12	Career education
	*6171.3	At-risk and Title 1
	*6171.4	Special education
	*9326	Minutes

*Indicates policy is included in the Critical Policy Reference Manual.