**ECBO SUMMER NOTES 2020** 

1. **Audit - Program FY20 - Overview of Significant Changes for FY20:**
   1. **Due-December 5, 2020**
   2. **Section I-2-**Added new emergency regulations per DLGS, allowed to use online platforms for various types of procurement and auction LFRN 2020-10
   3. **Section I-3**-E.O.103 (closing of all public schools) and reference to A3904. Also updated the link to USDA Eligibility Manual for School Meals, FY20
   4. **Section I**-**5**-Added guidance related to bidding and procurement in response to E.O. 107**.** Also added guidance P.L. 2018, c.90, which allows schools to enter into an agreement with a private organization that would assume financial and administrative responsibility for government related projects. Included guidance that authorizes schools to utilize online electronic procurement platforms LFN 2019-15, subject to DLGS regulations.
   5. **Section II-20**-Updated FICA and Medicare wage limits and percentages for 2019 &2020. Added that CARES revenue must be reported in a separate column in Exhibit E *Combining Schedule of Program Revenues and Expenditures-Budgetary Basis.*
   6. **Section II-60**-Updated links to 2019-2020 guidance memorandums NJDA. Also added information regarding Child Nutrition Program contracts. Includes guidance due to COVID emergency meal counts and references that there will be differences in meal count approach based on type of SFA a district is operating.
   7. **Section II-SA**-Updated links to Compliance Supplement, Federal Program Numbers and DOE Broadcasts related to grant awards.
   8. **Section III**-I- Added that the auditor provides the ARCHIVED DCF to the SBA who transmits to the CAFR repository. No draft or submitted date versions are to be submitted to the Repository
   9. **Section III-4**-Due to COVID, SFA’s were authorized to solicit and award emergency noncompetitive procurements and contracts with FSMC and submit contract modifications to existing contracts. Also added the SFAs were notified of the requirement to maintain and report separate meal count and financial records of all applicable costs incurred in providing meals to all free and reduced-price meal eligible students during the emergency.
   10. **Section-III-7**-Certification of Implementation (COI): *only* recommendations which remain “unimplemented” are to be recorded. BOE resolution is not required**.** *This section includes Audit Reporting-Audit Synopsis (used for presenting audit to public), Correction Action Plan (CAP) instructions, Board Resolution instructions, Certification of Implementation (COI) instructions!!!!!!!!*  Please use these especially important instructions!
   11. **Effective with the FY20 Audit!!!!!- The only hard copy to be sent of the CAFR & AMR is to the County Office of Education!!!!!!!!!!**
   12. Auditors should reference [July 9, 2019 Broadcast: FY 19-20 State Budget Notification](https://www.nj.gov/education/broadcasts/2019/JUL/09/20307/Fiscal%20Year%202019-20%20State%20Budget%20Notification.pdf).
   13. What is the **Compliance Supplement**? This document establishes the audit procedures used to test compliance with select NJ funded programs. It is subtitled by type of aid and clearly indicates for the district what the aid is to be used for and indicates what the auditor is to test to prove compliance.
   14. [**Questionnaire**](https://www.nj.gov/education/finance/fp/audit/1920/program/2019-20-Sec3-6%20and%207.pdf)**-**Mandatory for all districts, should be presented at audit commencement.
   15. **Statistical Section** Information-posted on [Audit Information](https://www.nj.gov/education/finance/fp/audit/)
2. **CAFR Repository**
   1. It is **highly recommended** that the Audsum be completed prior to filing the CAFR. The Audsum has numerous edits that can flag common reporting errors such as the reporting of excess surplus, special education program expenditures, food services operations and fund balances.
   2. All documents must be uploaded to the CAFR Repository by statutory deadline of December 5, 2020.
   3. Documents must be uploaded properly with appropriate files names.
   4. Suggestion: *After you upload a file, print and review for correctness and file with CAFR.* District auditor must include the appropriate recommendation page in the AMR!
   5. Reference Audit Program Section III
   6. CAFR Repository link in Homeroom-closed at this time
3. **Uniform Chart of Accounts (COA)**
   1. COA was updated to incorporate new accounts for GASB 84 Fiduciary Activities which are effective for implementation to fiscal year ending 6/30/21
   2. These activities included: Student Activity Funds, Scholarship Funds, Unemployment Trust Fund, Payroll Agency and Flexible Spending Accounts
   3. Student and Scholarship Accounts will be reported in Revenue code 20-1XXX-XXX. Appropriations Program codes 20-4XX-XXX. Balance sheet fund 20 will report all assets, liabilities, and restricted fund balance.
   4. Payroll Agency and Flexible Spending accounts are to be reported in the General Fund. Any balance unremitted at year-end will be reported as a liability. Balance sheet will report Assets and Liabilities. Agency fund renamed Custodial Fund.
   5. Unemployment will be reported in the General Fund, Balance sheet will report Assets, Liabilities and Restricted Fund Balance. Any restricted fund balance will be excluded from the Excess Surplus Calculation
   6. Also included are appropriate codes for Alyssa’s Law, Cares Act and others which are highlighted in gray throughout the COA. *Best place to start, COA, Chapter 2 Account Classifications and Descriptions*
   7. Appendix C: Details of Reserved Codes section, contains those codes whose use as been discontinued. Please review this section and make sure your fund, revenue, program, and balance sheet codes are correct within your budgetary accounting system
   8. [Uniform Chart of Accounts Effective July 1, 2020](https://www.nj.gov/education/finance/fp/af/coa/)
4. **CDS (County School District System)-Improvements**
   1. Districts must keep this database current and updated for the 2020-2021 school year.
   2. [CDS Link](https://homeroom4.doe.state.nj.us/cds/)
   3. Contact: [cdshelp@doe.nj.gov](mailto:cdshelp@doe.nj.gov)
5. **Digital Divide Accounting**
   1. Revenues- Federal funding under CARESDD recorded 20-4531
   2. Revenues-Philanthropic donations-recorded 20-1921
   3. Expenses-20-478-XXX-XXX
   4. All allocations must be encumbered or expended by October 31,2020 or will need to be returned
6. **Non-Public Technology Accounting-CRF**
   1. Federal funding should be recorded in fund 20-4500 series, restricted grants from Federal Government through the state
   2. Expenses under CRF are to be recorded in fund 20-512-XXX-XXX
   3. This nonpublic allocation must be encumbered or expended not later than October 31, 2020 or will need to be returned.
   4. [August 28, 2020 Broadcast](https://www.nj.gov/education/broadcasts/2020/aug/28/Accounting%20for%20Grant%20Funds%20to%20Bridge%20the%20Digital%20Divide.pdf)
7. **Debt Service Data Collection**
   1. Data should have been submitted and certified via homeroom application by July 31,2020
   2. Districts without a debt service requirement in 2019-2020, should indicate same, by emailing:
      1. [debtserv@doe.nj.gov](mailto:debtserv@doe.nj.gov)
   3. Also, if changes need be made such as adding new bonds or to existing data email [debtserv@doe.nj.gov](mailto:debtserv@doe.nj.gov)
8. **Payroll Verification**
   1. First Year of Round 5, FY21-FY24
   2. Year One districts must submit an original letter of compliance to the county office by May 31, 2021.
   3. Suggestion: use this moment to also verify health benefits roster/invoice billing.
9. **Extraordinary Aid**
   1. Proration for 2019-20 is currently .56847%
   2. Districts can expect the cash payment in October 2020
   3. Final proration determination will be based on FY21 budget, to be determined by September 30, 2020
   4. Aid amount not appropriated in FY20 may be used as an allowable adjustment to the excess surplus calculation
   5. [July 17, 2020 Broadcast](https://www.nj.gov/education/broadcasts/2020/jul/17/2019-2020%20Application%20for%20Special%20Education%20Extraordinary%20Aid.pdf)
10. **Non-Public**
    1. The following FY21 Non-Public Notices have been posted on homeroom:
       1. Nursing- posted August 19, 2020
       2. C192/C913- posted August 28,2020
       3. Textbook- posted July 15, 2020
    2. Reminder for 192/193: The *district* must keep the *original* 407-1 forms *and copies* of supporting documentation or have access to electronic versions for record-keeping purposes.
    3. If you received a notice for a school that has closed, do not send a refund check! All refunds will be collected through a state aid payment deduction after the FY20 Nonpublic Completion Report is completed.
    4. [Consultation Form](https://www.nj.gov/education/nonpublic/forms/ConsolidatedConsultationForm.pdf) (consultation should be completed for delivery of services/goods for FY21).
    5. [Annual Non-Public Nursing Report](https://www.state.nj.us/education/nonpublic/forms/nurse_form.pdf) is due in County Office on or before October 1, 2020
11. **TPAF Reimbursement-FY20**
    1. Pension rate is 28.34% plus FICA
    2. Due not later than October 1, 2020!
    3. [Link to form](https://www.nj.gov/education/finance/ba/TPAF%20Form%202019-20.pdf)
12. **Department of Community Affairs Local Finance Notices**
    1. [LFN 2020-14](https://www.nj.gov/dca/divisions/dlgs/lfns/20/2020-14.pd) Bid Thresholds
    2. [LFN-2018=9-15](https://www.nj.gov/dca/divisions/dlgs/lfns/19/2019-15.pdf) Electronic Procurement
13. **School Safety and Security**
    1. Resources for school safety and security, including laws, drill resources, security planning tools can be found at [School Preparedness and Emergency Planning - Guidance Documents](https://www.nj.gov/education/schools/security/guidance/)
    2. [School Security Drill Guide and Forms](http://www.nj.gov/education/schools/security/drill/) -within first 15 days of school year (security).
    3. A suggested approach for security drills: conduct those drills which do not require adaptions, such as drills that can involve the parent community for testing and reinforcing notification systems, drills normally requiring close contact can be conducted later in the year.
    4. Note: First fire drill should be within 10 days of school year start, but due to the public health emergency, N.J.A.C. 5:70-3 Section 405 Emergency Evacuation Drills, shall be suspended for the duration of the public health emergency for Use Group E-Educational. Upon the end of the public health emergency, the requirements of this section and the existing schedule for emergency drills shall be reinstated
    5. N.J.A.C. 5:70-2.24 Fire inspections-due to the health emergency, the 2020 annual inspection of educational occupancies shall be completed no later than December 31,2020. On December 31, 2020, the cyclical inspection requirements will revert to being conducted prior to June 1st of each calendar year.
14. **School Register Summary Reminders for 2020-2021**
    1. Check for alignment of attendance categories to actual budget! *(Chat with school attendance recorders!)*
    2. Check that class type category is correct for each district school (must agree with CDS).
    3. Suggestion: review PCR assignments to make sure staff are correctly aligned with class and budgetary code prior to processing of September 2020 payroll. *(Chat with HR Department!)*
    4. Reminder: the SRS information (ADA/ADE), along with budgetary expenditures, create a district’s certified per pupil tuition calculations!
15. **Transportation**
    1. Bid threshold for quoted (unanticipated) and parental student transportation contracts is $19,600, effective July 1, 2019 to June 30, 2021.
    2. Maximum expenditure for nonpublic transportation for 2020-20 is $1,000 or a daily rate of $5.55. Renewed contracts and bid contracts awarded prior to July 1, 2017 are binding and cannot be increased because of the new maximum.
    3. Reminder: Consumer Price Index (CPI) for student transportation contract renewals for the 2020-2021 school year is 1.70%.
    4. Bid Notes:
       1. All bids must be approved by the ECS!
       2. All contracts to be awarded must also be approved by the ECS!
       3. Contract renewals will not be processed if the contract award was not approved by the ECS! (Contracts are entered in a DOE database. Cannot renew a contract that was not known to exist!)
    5. Reminder: [mandatory training for school bus drivers and aides](https://www.nj.gov/education/finance/transportation/training/) who interact with students with special needs (N.J.S.A. 18A:39-19.2). [Certificates](https://www.nj.gov/education/finance/transportation/procedures/) must be on file in district and submitted to County Office. Employer must administer the training to the driver/aide prior to the person operating school bus or servicing as an aide on a school bus.
    6. Certification rosters were to the County Office by August 31st. The roster lists the drivers/substitute drivers, criminal history approval, driver abstracts and training certificates.
    7. Preliminary School Bus Accident Report Log (PSBAR)
       1. School officials are to input preliminary bus accident information electronically into [PSBAR](https://homeroom4.doe.state.nj.us/accrep/)
       2. BOE must maintain a paper copy of each Preliminary School Bus Accident Report.
       3. For those accidents resulting in a fatality, a copy of the PSBAR and police report and any other information must be forward to DOE [Student Transportation](http://www.nj.gov/education/finance/transportation/).
    8. School bus evacuations:
       1. Transported pupils must have 2 drills per year, non-transported 1 drill per year.
       2. Must be recorded in the board minutes!
       3. *All forms especially NJDOE Preliminary School Bus Accident Report, Report of a Student Left Unattended on the School Bus and Report of the Completion of the School Bus Emergency Evacuation Drill to the Board of Education may be found* at [Transportation Documents](http://www.state.nj.us/education/finance/transportation/procedures/) .
    9. Non-Public Transportation Procedures- [Procedure to Provide Non-Public Transportation or Aid in Lieu](http://www.state.nj.us/education/finance/transportation/procedures/NonpublicTransportationRequirementsandRecommendations.pdf)
    10. FY 21 District Report of Transported Resident Students (DRTRS) open date TBD!
16. **School Facilities Checklist**
    1. *Checklist, instructions, and appendix sent as attachments to “Summer Notes”* and will also be posted on the DOE QSAC website.
    2. All districts must complete a checklist for each school facility!
    3. Checklists should be completed when school is in session, during a walk through (not at desk)!
17. **School Ethics Commission**
    1. All new administrators must file an online Disclosure Statement within 30 days of assuming new position, per NJAC 6A:28-3.1(c)-(f).
    2. Understand the “Doctrine of Necessity” and how to use it: [Doctrine of Necessity Resolution](https://www.state.nj.us/education/ethics/docs/don.pdf)
18. **Reporting of Paraprofessional Staff-Statement of Assurance**
    1. Bi-annual reporting to the ECS for employment of paraprofessional staff via SOA; September 30 and January 31.
    2. Staff list of school aide employees must be maintained in the district!
    3. Only submit approved job descriptions for a special education classroom aid.
19. **Division of Pensions and Benefits FYI**
    1. [Fact Sheet #84](https://www.state.nj.us/treasury/pensions/documents/factsheets/fact84.pdf)-Professional Services Contracts, Independent Contractors and Pension Enrollment
    2. [Fact Sheet #86](https://www.state.nj.us/treasury/pensions/documents/factsheets/fact86.pdf)-Employment After Retirement Restrictions
20. **OSC Procurement Compliance**
    1. Districts with outstanding long-term bonds are subject to secondary market disclosure.
    2. CAFR must be uploaded annually to the Municipal Securities Rulemaking Board of [EMMA](http://www.emma.msrb.org/)
21. **Alyssa’s Law** 
    1. Due to COVID, delay in application from August 12, 2020 to September 14, 2020
22. **NJDOE Data Submissions Calendar**
    1. [Link](https://www.nj.gov/education/data/calendar/calendar2021.shtml) to the anticipated dates for DOE data collection
23. **Reminder on Tax Payments**
    1. The following citations are informational and good to keep on hand, as some districts were not receiving payments as scheduled from their municipality.
       1. Payment by Municipality of School Moneys to Board Secretary or Treasurer.
          1. **NJAC 54:4-75**-“School tax due” or “tax due” means the amount so assessed less the school district’s proportionate share of the property taxes no longer owed by the municipality pursuant to the blue acres property tax exemption established by subsection b. of section 1 of P.L. 2013, c.261 (C.54:4-3.3g) and less any applicable credit established by subsection e. of section 1 of P.L. 2013, c.261 (C.54:4-3.3g).
          2. The governing body of each municipality shall pay over to the board secretary or treasurer of school moneys as appropriate, in the case of school districts in which appropriations for school purposes are made by the inhabitants of the school district, within forty days after the beginning of the school year, twenty per centum (20%) of the moneys from school tax due, and thereafter, but prior to the last day of the school year, the balance of the moneys from school tax due for school purposes in such amounts as may be requested from time to time by the Board of Education, within thirty days after each request. The Board of Education shall not request any more money at any one time than shall be required for its expenditures for a period of eight weeks in advance; provided, however, that the Board of Education at any time, but not earlier than fifteen days prior to the beginning of the school year, request sufficient moneys to meet all interest and debt redemption charges maturing during the first forty days of the school year. The governing body may make payments of such moneys in advance of the time and in excess of the amounts required by this section. Notwithstanding provisions of this section to the contrary, in those years when the third installment of property taxes has been determined by the tax collector to be due after August 10, the installment shall be due no later than five days after the twenty-fifth day from when the tax bill was mailed or otherwise delivered pursuant to subsection a of R.S.54:4-64, but no later than September 1.
    2. **P.L.2020 c. 34 Amended.** **R.S.54:4-76 Payment of Taxes Due by Municipality, County; borrowing is amended to read as follows:**
       1. Payment of taxes due by municipality, county; borrowing permitted, interest; waiver. 54:4-76. a. The governing body of the municipality or the county shall cause the county tax due, as calculated pursuant to R.S.54:4-74, and other county taxes levied, school tax due, as calculated pursuant to R.S.54:4-75, taxes due to other taxing districts, and State taxes to be paid as and when due for payment. If there shall not be sufficient funds in the treasury available for such payments, the governing body shall immediately borrow sufficient money and pay such taxes due. The board of chosen freeholders of each county may by resolution fix the rate of discount to be allowed for the payment to the county treasurer of county taxes previous to the date on which they will become due for payment. The rate so fixed shall not exceed six percent per year, and shall be allowed only in case of payment on or before the thirtieth day previous to the date on which said taxes will become due for payment to the county treasurer. On any part of the taxes payable to the county treasurer and on any part of the taxes payable to the State by the county treasurer, which shall remain unpaid after the time within which they are required to be paid by this chapter, the taxing district or county in arrears shall pay to the county or State, as the case may be, interest at the rate of six percent per year upon the delayed payment.
       2. b. Notwithstanding the provisions of subsection a. of this section, the board of chosen freeholders of a county may, by resolution, waive the interest that a municipality is required to pay to the county pursuant to that subsection on any unpaid property taxes due and owing to the county by a municipality if the municipality adopted an extended interest-free period pursuant to subsection a. of section 1 of P.L.2020, c.34 (C.52:27D-18.4), and a public health emergency, pursuant to the “Emergency Health Powers Act,” P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency, pursuant to P.L.1942, c.251 (C.App.A.9-33 et seq.), or both, has been declared by the Governor and is in effect. A waiver adopted by a county pursuant to this subsection shall expire 30 days after the end of the municipality’s extended interest free period.
    3. *Recommendation: If possible, to memorialize the agreed to tax payment schedule with the municipality in board of education meeting minutes.*
24. **Other Reminders:**
    1. [P.L.2020, c.44 Health Program Changes](https://www.njleg.state.nj.us/2020/Bills/PL20/44_.PDF) – take note, we are working on this law as it will cause some adjustments at FY22 budget time