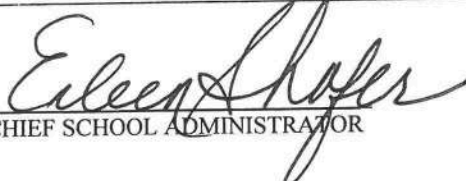


CORRECTIVE ACTION PLAN

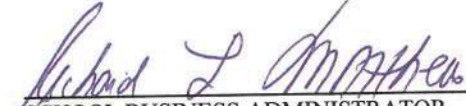
Name of School: **Paterson Public Schools**
 Type of Audit: **Comprehensive Annual Financial Report**
 Date of Board Meeting: **February 17, 2021**
 Contact Person: **Richard L. Matthews, School Business Administrator**
 Telephone Number: **973-321-0772**

County: Passaic

AUDIT FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION
Finding 2020-002 (CAFR Finding 2020-01): A limited number of individual EXAID applications had services provided to students, which were not required by their IEP. Furthermore, a limited number of EXAID applications had direct instructional costs, which could not be supported by verifiable cost documentation. Recommendation: The Special Services Department should ensure that all information being reported on each student's EXAID application is accurate and supported by the necessary documentation.	During preparation for EXAID submission, the department will ensure that IEP services are reviewed and confirmed, prior to EXAID submissions. Directional costs will also be reviewed and confirmed against appropriate data prior to EXAID submissions.	The department; via child study team members, will cross-reference the related services via the EDPlan system to verify the services and their inception. The department; via Supervisor and Coordinator, will cross reference the direct instructional cost and supporting data, to confirm that validity of cost submission.	Cheryl D. C department


 CHIEF SCHOOL ADMINISTRATOR

2/22/21
 DATE


 SCHOOL BUSINESS ADMINISTRATOR

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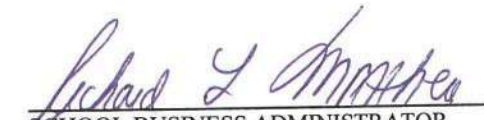
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AUDIT FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION
Finding 2020-001: The District transferred from capital outlay equipment appropriation, an amount that on a cumulative basis exceeded 10 percent of the total amount of the capital outlay equipment appropriation included in the original budget. While the request was sent to the County for approval, a response was not received before June 30, 2020. Recommendation: Executive County Superintendent approval should be requested for any transfer "from" an advertised appropriation account as defined under N.J.A.C. 6A:23A-13.3(f), which is cumulatively more than 10 percent of that amount. The District should maintain documentation that substantiates the request was received by the Executive County Superintendent when written approval is not received.	The district will monitor transfers prior to approval for the over 10% percent "from" appropriations. If the transfer exceeds the 10% a letter of approval will be created and sent to the county prior to completion of processing.	Budget Manager is the first on the approval steps to approve transfers. Prior to approval the Budget Manager emails the Accounting Supervisor to review the transfer for the not to exceed "from" of 10%. The Accounting Supervisor will review the transfer report and if transfer will exceed, a letter of approval will be created to send to the county prior to processing.	Budget Manager Accounting Supervisor


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AUDIT FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION
Finding 2020-003: The Food Service program did not generate adequate revenue to support operating expenditures, which created a deficit in net position. Recommendation: The District raise \$1,003,808 in the subsequent General Fund Budget to cover the food service deficit in net position.	The Coronavirus pandemic imposed unexpected budgetary pressures on the Paterson school nutrition program that generally operated in a positive net position. To offset any further losses imposed by the pandemic during the 2020-2021 school year, foodservices will scale down all expenses while making efforts to increase revenues. The district will monitor and transfer funds from the General Fund to cover any food service deficit in net position.	The Executive Director of Food Services shall with the assistance of the Food Service Office/Accounting Supervisor analyze on a quarterly basis all operating revenues and expenses to ascertain Food Services' financial position, and if necessary, recommend to the Business Office that funds be transferred from the General Fund to support operations should a deficit in net position becomes likely.	Food Service Director Food Service Office/Accounting Supervisor Business Office


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