

## INTERNAL CONTROLS (M)

R 1570

### **M**

#### A. Segregation of Duties; Organization Structure - N.J.A.C. 6A:23A-6.5

1. The school district shall evaluate business processes annually and allocate available resources appropriately in an effort to establish a strong control environment.
2. The School Business Administrator/Board Secretary shall identify processes that are a violation of sound segregation of duties when performed by the same individuals. The School Business Administrator/Board Secretary shall segregate the duties of all such processes among Business Office staff based on available district resources, assessed vulnerability, and the associated cost-benefit, except as required at N.J.A.C. 6A:23A-6.5(b)1. and 2. and A.2.a. and A.2.b. below.
  - a. The functions of human resources and payroll shall be segregated and completed by different employees in the district.
  - b. The functions of purchasing and accounts payable shall be segregated and completed by different employees in the district.
3. The district shall include in the Annual Comprehensive Financial Report (ACFR) detailed organizational charts for the Central Office that tie to the district's position control logs, including, but not limited to, the business, human resources, and information management functions.

#### B. Standard Operating Procedures (SOP) for Business Functions – N.J.A.C. 6A:23A-6.6

1. The school district shall establish SOPs for each task or function of the business operations of the district.
2. The SOP manual shall include sections on each routine task or function in the following areas:
  - a. Accounting, including general ledger, accounts payable, accounts receivable, payroll and fixed assets, and year-end procedures for each;

- b. Cash management;
  - c. Budget development and administration, including tasks such as authorization of transfers and overtime;
  - d. Position control;
  - e. Purchasing, including tasks such as preparation of requisitions, approval of purchase orders and encumbering of funds, bid and quote requirements, and verification of receipt of goods and services;
  - f. Facilities, including administration of work, and health and safety;
  - g. Security;
  - h. Emergency preparedness;
  - i. Risk management;
  - j. Transportation;
  - k. Food service;
  - l. Technology systems; and
  - m. Information management.
3. The district shall establish SOPs that ensure office supplies are ordered in appropriate quantities, maintained in appropriate storage facilities, and monitored to keep track of inventory.

C. Financial and Human Resource Management Systems; Access Controls - N.J.A.C. 6A:23A-6.7

- 1. If the school district has a budget in excess of \$25,000,000 or more than three hundred employees, the district shall maintain an Enterprise Resource Planning (ERP) System that integrates all data and processes of the school district into a unified system. An ERP system uses multiple components of computer software and hardware and a unified database to store data for the various system modules to achieve the integration.
- 2. Whenever considering financial systems or the automation of other services or functions, the Superintendent or School Business

Administrator/Board Secretary shall notify the Executive County Superintendent in writing to see if opportunities for a shared service system exist.

3. Access controls shall be established for key elements of financial systems to ensure a single person does not have the ability to make system edits that would violate segregation of duties controls.
  - a. The process for creating, modifying, and deleting user accounts shall include the use of user access request forms.
  - b. All requests for financial applications shall be approved and specified by the School Business Administrator/Board Secretary.
  - c. All requests for network access shall be granted by the head of the technology department, if one exists.
  - d. A review of user access shall be conducted yearly at a minimum by the relevant department managers and an audit trail should be maintained to verify the performance of this review.
  - e. Access to the network and key applications within the district shall be restricted to authorized users through the use of unique user names and passwords.
  - f. Proper protocols shall be implemented that appropriately address password expiration and complexity.

D. Personnel Tracking and Accounting – N.J.A.C. 6A:23A-6.8

1. The school district shall maintain an accurate, complete, and up-to-date automated position control roster to track the actual number and category of employees and the detailed information for each. The position control roster shall:
  - a. Share a common database and be integrated with the district's payroll system;
  - b. Agree to the account codes in the budget software; and
  - c. Ensure the data within the position control roster system includes, at a minimum, the following information:
    - (1) The employee's name;

- (2) The employee's date of hire;
- (3) A permanent position tracking number for the employee, including:
  - (a) The expenditure account codes for the general fund consistent with the State prescribed budget, special revenue fund, and enterprise funds;
  - (b) The building(s) to which the position is assigned;
  - (c) The certificate(s) and endorsement(s) held, as applicable;
  - (d) The assignment position title as follows:
    - i. Superintendent or Chief School Administrator;
    - ii. Assistant Superintendent;
    - iii. School Business Administrator;
    - iv. Board Secretary (when other than N.J.A.C. 6A:23A-6.8(a)3.iii.(4)(A), (B), or (C) and D.1.c.(3)(d)i., D.1.c.(3)(d)ii., or D.1.c.(3)(d)iii. above);
    - v. Principal;
    - vi. Vice Principal;
    - vii. Director;
    - viii. Supervisor;
    - ix. Facilitator;
    - x. Instructional Coach by Subject Area;
    - xi. Department Chairperson by Subject Area;
    - xii. Certificated Administrator – Other;
    - xiii. Guidance;

- xiv. Media Specialist/Librarian;
- xv. School Nurse;
- xvi. Social Worker;
- xvii. Psychologist;
- xviii. Therapist – Occupational (OT);
- xix. Therapist – Physical (PT);
- xx. Therapist – Speech;
- xxi. Certificated Support Staff – Other;
- xxii. Teacher by Subject Area;
- xxiii. Instructional Assistants;
- xxiv. Certificated Instructional – Other;
- xxv. Aides supported by IEP;
- xxvi. Other Aides;
- xxvii. Maintenance Worker;
- xxviii. Custodian;
- xxix. Bus Driver;
- xxx. Vehicle Mechanic;
- xxxi. Food Service; and
- xxxii. Other Non-certificated;

- (4) A control number for substitute teachers;
- (5) A control number for overtime;
- (6) A control number for extra pay;

- (7) The status of the position (filled, vacant, abolished, etc.);
- (8) An indication, when available, of whether the employee is retiring in the budget year or not being renewed, including associated costs such as contractual buyouts, severance pay, paid vacation or sick days, etc.;
- (9) Each of the following: base salary, step, longevity, guide, stipends by type, overtime, and other extra compensation;
- (10) The benefits paid by the district, net of employee reimbursements or co-pays, by type of benefit and for FICA and Medicare;
- (11) The position's full-time equivalent value by location;
- (12) The date the position was filled; and
- (13) The date the position was originally created by the Board of Education. If the date the position was originally created is not available, this item shall represent the date the person currently filling that position was approved by the Board.

Adopted:

## INTERDISTRICT PUBLIC SCHOOL CHOICE

R 5117

### **[Only for School Districts Participating in the New Jersey Interdistrict Public School Choice Program]**

#### A. Definitions – N.J.A.C. 6A:12-1.3

- 1. "Choice district" means a public school district established pursuant to N.J.S.A. 18A:8 or N.J.S.A. 18A:13 that is authorized pursuant to the Interdistrict Public School Choice Program to open a specialized education program or school(s) to students from a sending district.
- 2. "Choice program" means the Interdistrict Public School Choice Program authorized at N.J.S.A. 18A:36B-14 et seq.

3. “Choice student” means an out-of-district student who is accepted into a choice district. Students who are received by the choice district through a send-receive relationship pursuant to N.J.S.A. 18A:38-8 et seq., shall not be considered choice students.
4. “Commissioner” means the New Jersey Commissioner of Education.
5. “Department” means New Jersey Department of Education.
6. “Eligible sibling” means a student who has a sibling who is a choice student presently enrolled in and attending a choice district for the current school year and will continue to attend in the following school year. An eligible sibling may be given enrollment preference in the student application process.
7. “Non-public school student” means any student who is obtaining academic instruction outside of a public school at the time of the student’s application to the choice district.
8. “Sending district” means the district of residence of a choice student or a prospective choice student.
9. “Specialized educational program” means a choice district program that uses student selection criteria for admission, in accordance with N.J.S.A. 18A:36B-20.b.
10. “Unfunded choice student” means a student who has been accepted by a choice district as a choice student outside of the timeline established pursuant to N.J.A.C. 6A:12-3.2 and F. below, and for whom the choice district is unable to receive choice funding in the current and/or subsequent school year due to the Department’s choice enrollment collection cycle.

B. Eligibility Criteria for District Boards of Education – N.J.A.C. 6A:12-2.1

An eligible Board of Education may participate in the choice program if the school district has classroom space available, completes and submits an application form provided by the Department pursuant to N.J.S.A. 18A:36B-17 and N.J.A.C. 6A:12, and receives approval from the Commissioner or designee to participate.

C. Eligibility Criteria for Students – N.J.A.C. 6A:12-2.2

1. To be eligible to participate in the choice program, a student shall be enrolled at the time of application in preschool through grade twelve in a

school of the sending district and shall have attended school in the sending district for at least one full academic year immediately preceding enrollment in a choice district, including time spent at any school that a student in a particular district of residence is required by law to attend.

- a. If a student is enrolled in the district of residence, is counted in that school district's October Application for State School Aid, and moves during the school year and enrolls in a new district of residence for the remainder of the school year, the student shall have satisfied the one-year eligibility requirement for the school choice program.
- b. The one-year requirement shall not apply to an eligible sibling applying to enroll in preschool or Kindergarten in a choice district.
- c. The one-year requirement shall not apply to a choice student currently enrolled in a choice district who reaches the terminal grade in the choice district and the student is applying to enroll in another choice district for secondary school.

2. A public school student who does not meet the eligibility requirements at N.J.A.C. 6A:12-2.2(a) and C.1. above or a nonpublic school student may, nonetheless, apply pursuant to N.J.S.A. 18A:36B-20.a. and N.J.A.C. 6A:12-3.3.

3. Students residing out of New Jersey may not participate in the choice program.

D. Sending District Restrictions on Student Participation in the Choice Program – N.J.A.C. 6A:12-3.4

1. The district Board of Education of a sending district may seek to limit the number of students participating in the choice program to a maximum of ten percent of the number of students per grade level per year and fifteen percent of the total number of students enrolled in the sending district, based on the Application for State School Aid of the year prior to the first student participating in the choice program, pursuant to N.J.S.A. 18A:36B-21.a. The Board of a sending district seeking to limit student participation in the choice program shall submit to the Commissioner or designee the following documents:

- a. A resolution adopted by the Board specifying the limit on the number of students enrolled in the sending district who may participate in the choice program; and



- b. Supportive documentation that may include, but is not limited to, evidence of the choice program's impact on the following:
  - (1) The sending district's student enrollment;
  - (2) The sending district's student achievement;
  - (3) The diversity of the sending district's student population;
  - (4) The number or quality of programs, course offerings, or classes the sending district offers;
  - (5) The number or quality of the services the sending district provides;
  - (6) The sending district's operations; and
  - (7) The sending district's fiscal conditions.
- 2. In determining whether to grant approval of a sending district's limiting resolution, the Commissioner or designee shall evaluate the documentation submitted pursuant to N.J.A.C. 6A:12-3.4(a) and D.1. above and determine, pursuant to N.J.S.A. 18A:36B-21, if the sending district has demonstrated that the limiting resolution:
  - a. Is in the best interest of the sending district's students;
  - b. Will not adversely affect the sending district's programs, services, operations, or fiscal conditions; and
  - c. Will not adversely affect or limit the diversity of the remainder of the sending district's student population who do not participate in the choice program.
- 3. If a sending district has received approval from the Commissioner or designee to impose a limit on the number of its students participating in the choice program, the sending district shall use this limit every year unless there is an increase of its student enrollment beyond the enrollment count used to calculate the limiting resolution pursuant to N.J.A.C. 6A:12-3.4(a)1. and D.1.(a) above.
  - a. If there is an increase of the choice district's student enrollment beyond the enrollment count used to calculate the limiting resolution pursuant to N.J.A.C. 6A:12-3.4(a)1 and D.1.(a) above, the sending district shall apply the choice program enrollment

restriction percentages contained in the approved resolution to the enrollment counts as reported on the Application for State School Aid in October preceding the school year during which the restriction on enrollment will be applicable.

- b. If the notices of student intention to participate in the choice program exceed the established limit pursuant to N.J.A.C. 6A:12-3.4, the sending district shall:
  - (1) Hold a public lottery to determine the selection of students for participation in the choice program;
  - (2) Notify the parent of every student who has submitted notice of intent to participate in the choice program of the date and time of the lottery;
  - (3) Assign a number to each student participating in the lottery and notify the parent of the number assigned to their child(ren); and
  - (4) Develop a waiting list based on the lottery.
- 4. If a sending district has received approval from the Commissioner or designee to impose a limit on the number of students participating in the choice program and the notices of student intention to participate in the choice program exceed the established limit, before conducting the lottery, the sending district may give preference to eligible siblings. If the choice district elects to give enrollment preference to eligible siblings of choice students, the sending district also shall give preference to eligible siblings. This provision shall apply only to choice students and eligible siblings who would be attending the same choice district or two choice districts that are in a send-receive relationship.
  - a. If there are more eligible sibling applicants than available spaces, the sending district shall conduct a lottery first for the eligible siblings only to determine the selection of students for participation and for placement on the waiting list.
  - b. If there are no spaces available after granting permission to participate in the choice program to eligible siblings, the sending district shall conduct a lottery for the remaining eligible sibling applicants to assign them a place on the waiting list.
- 5. Prior to any lottery held according to N.J.A.C. 6A:12-3.4, the sending district shall verify that the student is enrolled in the sending district and

was reported on the Application for State School Aid in October of the current school year.

6. Prior to any lottery that may be held according to N.J.A.C. 6A:12-3.4, the sending district shall notify the applicants of the date and time of such lottery.
  7. The sending district shall conduct any lottery held pursuant to N.J.A.C. 6A:12-3.4 prior to the deadline established by the Commissioner or designee for written notification to the parent regarding the student's eligibility to participate in the choice program.
- E. Choice District Procedures for Students Meeting the Eligibility Requirements – N.J.A.C. 6A:12-3.1
1. Choice districts shall admit choice students on a space-available basis.
    - a. A choice district may not impose admission criteria upon prospective choice students other than the admission criteria for a specialized educational program, pursuant to N.J.S.A. 18A:36B-20.b.
    - b. If a choice district receives more applications than spaces available, the choice district shall hold a public lottery to determine the selection of students for enrollment in the choice program.
      - (1) The choice district shall notify the parent of every student who has submitted an application to participate in the choice program of the lottery's date and time.
      - (2) The choice district shall assign a number to each student participating in the lottery and shall notify the parent of the number assigned to their child(ren).
      - (3) Before conducting the lottery, the choice district may give enrollment preference to eligible siblings of choice students.
        - (a) If the choice district elects to give preference to eligible siblings of choice students and no spaces are available after granting permission to participate in the choice program to eligible siblings, the choice district shall conduct a lottery first for the eligible siblings only, to determine the selection of students for participation and placement on the waiting list.

- (b) If the choice district elects to give preference to eligible siblings of choice students and no spaces are available after granting permission to participate in the choice program to eligible siblings, the choice district shall conduct a lottery for the remaining applicants to assign them a place on the waiting list.
- (4) Before conducting the lottery, the choice district may give enrollment preference to resident students who moved out of the choice district and want to remain enrolled in the choice district as choice students.
  - (a) If the choice district elects to give enrollment preference to resident students who moved out of the choice district and want to remain enrolled in the choice district as choice students and no spaces are available, and the choice district elects to give preference to eligible siblings of choice students, the choice district shall conduct a lottery first for the eligible siblings, pursuant to N.J.A.C. 6A:12-3.1(a)2.iii and E.1.b.(3) above, and second for the resident students, pursuant to N.J.A.C. 6A:12-3.1(a)2.iv and E.1.b.(4) above, to determine the selection of students for participation and placement on the waiting list.
- (5) Before conducting the lottery, a choice district in a receiving relationship with a sending choice district may give enrollment preference to a choice student currently enrolled in its sending choice district who reaches the terminal grade and applies for secondary school in that choice district.
  - (a) If the receiving choice district elects to give enrollment preference to a choice student, pursuant to N.J.A.C. 6A:12-3.1(a)2.v and E.1.b.(5) above, and no spaces are available, and the choice district elects to give preference to eligible siblings of choice students, the receiving choice district shall conduct a lottery first for the eligible siblings pursuant to N.J.A.C. 6A:12-3.1(a)2.iii and E.1.b.(3) above, and second for students eligible pursuant to N.J.A.C. 6A:12-3.1(a)2.iv and 6A:12-3.1(a)2.v and E.1.b.(4) and (5) above.

- (6) The choice district shall develop a waiting list based on the lottery results.

F. Choice Student Application Procedures – N.J.A.C. 6A:12-3.2

1. The Commissioner or designee shall establish a student application timeline each year no later than September 1. The timeline shall include the dates for the student application deadline, the lottery pursuant to N.J.A.C. 6A:12-3.1(a)2, and N.J.A.C. 6A:12-3.2(b), (c), and (d) and E.1.b. above and F.2., F.3., and F.4. below.
2. The choice district shall send a notice of acceptance, rejection, or placement on the waitlist to the parent of every student who submitted a choice application by the deadline established pursuant to N.J.A.C. 6A:12-3.2(a) and F.1. above.
3. The choice district shall provide to the Department electronic notification of the number of choice students who send notice of their intent to enroll.
4. The choice district shall provide to each sending district written notification of each notice of intent to enroll received from a choice student who is a resident of the sending district.
5. A choice student applicant may apply to the Commissioner or designee by showing good cause for a waiver of the student application deadlines in the timeline at N.J.A.C. 6A:12-3.2(a) and F.1. above.
  - a. If the student receives a waiver of the student application deadline and the choice district is unable to receive funding for the student as a choice student for the current and/or subsequent school year, the choice district may enroll the student as an unfunded choice student in the corresponding year and automatically convert the student's enrollment to a funded choice student if the student remains in the choice program.

G. Choice District Procedures for Students not Meeting Eligibility Requirements – N.J.A.C. 6A:12-3.3

1. If seats remain available in a choice district after exhausting the list of applicants who meet the requirements at N.J.A.C. 6A:12-2.2(a) and C.1. above, including applicants on any waiting list established through the application process, the choice district may fill the seats with public school students who do not meet the requirements at N.J.A.C. 6A:12-2.2(a) and C.1. above, and with nonpublic school students.

2. Choice districts may accept applications from public school students who do not meet the requirements at N.J.A.C. 6A:12-2.2(a) and C.1 above and/or nonpublic school students until the deadline established by the Commissioner or designee pursuant to N.J.A.C. 6A:12-3.2(a) and G.1. above.
3. Upon the receipt of an application from a public school student who does not meet the requirements at N.J.A.C. 6A:12-2.2(a) and C.1. above or a nonpublic school student, the choice district shall send to the student's parent, a letter that includes the following information:
  - a. Whether the choice district will consider public school students who do not meet the requirements at N.J.A.C. 6A:12-2.2(a) and C.1. above and nonpublic school students for admission to the choice district. If the choice district has not yet decided, it shall inform the parents of when the decision is expected to be made;
  - b. Public school students who do not meet the requirements of N.J.A.C. 6A:12-2.2(a) and C.1. above and nonpublic school students shall not be considered for admission until the choice district has conducted the application cycle and has exhausted its waiting list of students who meet the requirements at N.J.A.C. 6A:12-2.2(a) and C.1. above for the grade level to which they have applied;
  - c. The choice district may need to conduct a lottery to select the students to be offered admission to the choice district depending on the seats available and the number of applications received from public school students who do not meet the requirements at N.J.A.C. 6A:12-2.2(a) and C.1. above and/or nonpublic school students; and
  - d. The choice district shall fully inform the parents of public school students who do not meet the requirements at N.J.A.C. 6A:12-2.2(a) and C.1. above and nonpublic school students of the lottery process in the event the choice district conducts a lottery, the date it will be held, and what number has been assigned to the applicant.

H. Choice Student Post-Enrollment – N.J.A.C. 6A:12-4.1

1. Once enrolled in a choice district, the choice student may remain enrolled and shall not be required to submit annual or periodic applications.

2. A choice district shall retain an accepted choice student until the choice district's terminal grade or the choice student voluntarily withdraws.
3. If the choice program is terminated in a choice district or Statewide, any choice student enrolled in the choice district shall be entitled to remain enrolled until the school district's terminal grade.
4. A public school student who is currently a choice student attending school in a choice district and who moves to another school district shall be eligible to remain in the choice district as a choice student without application until the terminal grade offered by the choice district.
5. A resident student of a choice district who attends a specialized educational program and/or grade that has been approved for choice students and who moves during the school year may choose to remain in the choice district until the end of the school year as an unfunded choice student. The student may apply to the choice program as a funded choice student for the next school year. If the student moves after the application deadline and the choice district is unable to receive funding for the student as a choice student for the subsequent school year, the choice district may enroll the student as an unfunded choice student in that year, and automatically convert the student's enrollment to a funded choice student if the student remains in the choice program.

I. Appeals from Commissioner of Education Determinations

An appeal of any determination by the Commissioner not to grant an application for participation in the choice program may be filed by an eligible choice district applicant according to N.J.A.C. 6A:4.

J. Appeals from Denial of Enrollment

An appeal of any denial of a choice student applicant for enrollment in a choice district may be filed by the parent with the Commissioner in accordance with N.J.A.C. 6A:3.

K. General Provisions – N.J.A.C. 6A:12-5.1

1. Choice districts shall accept all credits toward graduation awarded by another district Board of Education for each accepted choice student.
  - a. Choice districts shall award a diploma to a choice student who meets the graduation requirements of the choice district and of the State of New Jersey.

2. A choice district shall establish and maintain a parent information center in accordance with N.J.S.A. 18A:36B-23.
3. At the end of each student application cycle, a choice district shall file with the Department reports that include demographic and student participation information, fiscal and programmatic information, and updates on the number of available openings.

L. Student Transportation – N.J.A.C. 6A:12-6.1

Each sending district shall be responsible for the transportation or aid in lieu of transportation of enrolled choice students who are eligible for transportation services both to and from the choice school in which the student is accepted, in accordance with N.J.S.A. 18A:36B-22 and N.J.A.C. 6A:27-4.

M. General Provisions – N.J.A.C. 6A:12-7.1

1. Choice students participating in this program shall qualify for State aid pursuant to N.J.S.A. 18A:36B-14 et seq. The sending district will receive transportation aid pursuant to N.J.A.C. 6A:12-6.1.
2. The sending district shall maintain fiscal responsibility for any choice student enrolled in, or determined to require, a private day or residential school, except the choice district will be required to contribute any State aid received for the student and the sending district will be responsible for the balance.

N. Nonresident Students

1. The choice district shall not be eligible to enroll students on a tuition basis pursuant to N.J.S.A. 18A:38-3.
  - a. Any student enrolled on a tuition basis prior to the establishment of the choice program shall be entitled to remain enrolled in the choice district as a choice student.
2. When a resident student moves out of the district during the school year the student must be allowed to continue to attend the district for the remainder of the school year, provided the student is in the choice-approved grades/programs and the student meets any program-specific criteria.
  - a. These students will become temporary unfunded choice students for the remainder of the school year, and are eligible for choice transportation.



- b. These students must apply for enrollment in the choice district for the following year.

Issued:

## SPECIAL EDUCATION MEDICAID INITIATIVE (SEMI) PROGRAM (M)

R 6111

### **M**

Every New Jersey school district, with the exception of any district that obtains a waiver of the requirements at N.J.A.C. 6A:23A-5.3(b) and A. below, shall take appropriate steps to maximize its revenue from the Special Education Medicaid Initiative (SEMI) program by following the policies and procedures to maximize participation in the program at N.J.A.C. 6A:23A-5.3(d) and C.1. below and to comply with all program requirements at N.J.A.C. 6A:23A-5.3(e) and C.2. below.

#### A. Waiver

1. The school district may seek, in the prebudget year, a waiver of the requirements of N.J.A.C. 6A:23A-5.3, Policy 6111, and this Regulation upon demonstration that for the subsequent school year: the district projects, based on reliable evidence, that it will have forty or fewer Medicaid-eligible classified students.
  - a. The application for a waiver of the requirements of N.J.A.C. 6A:23A-5.3, Policy 6111, and this Regulation shall be made to the Executive County Superintendent no less than forty-five days prior to the submission of the district's proposed budget for the school year to which the waiver request applies. The Executive County Superintendent shall notify the district of the decision on the waiver application within twenty days of receipt of the waiver request. If the waiver is not granted, the district shall submit to the Executive County Superintendent a SEMI action plan required at N.J.A.C. 6A:23A-5.3(f) and D. below as part of its annual district budget submission, or shall demonstrate to the Executive County Superintendent that the district has achieved maximum participation in the SEMI program in the prebudget year.

#### B. Projection of Available SEMI Reimbursement

1. As part of the annual budget information, the New Jersey Department of Education shall provide the school district with a projection of available SEMI reimbursement for the budget year, as determined by the New Jersey Department of the Treasury's third-party administrator for SEMI.
  - a. The district shall recognize as revenue in its annual school district budget no less than ninety percent of said projection.
  - b. The district may seek approval from the Executive County Superintendent to use its own projection of SEMI reimbursement upon demonstration the numbers it used in calculating the projection are more accurate than the projection provided.

C. SEMI Program Requirements

1. The school district shall strive to achieve maximum participation in the SEMI program. For the purpose of Policy 6111 and this Regulation, "maximum participation" means obtaining a ninety percent return rate of parental consent forms for all SEMI-eligible students. Districts shall enter all students following their evaluations into the third-party system as determined by the New Jersey Department of the Treasury to identify the district's universe of eligible students. This may be done without parental consent.
2. If the district participates in the SEMI reimbursement program, the district shall comply with program requirements as follows:
  - a. The district shall implement Policy 6111 and this Regulation concerning the effective and efficient administration of the SEMI reimbursement program consistent with the requirements of N.J.A.C. 6A:23A-5.3. A complete listing of requirements and information are available at the SEMI/MAC website.
  - b. Any service submitted to Medicaid for reimbursement shall be rendered by a Medicaid qualified practitioner, or rendered by a provider under the supervision of a Medicaid qualified practitioner. The following outlines the required documentation for each related service provider:
    - (1) Nurses – copy of license (educational services certificate issued by the State Board of Examiners is not required for SEMI);

- (2) Occupational Therapist – copy of license and educational services certificate issued by the State Board of Examiners;
- (3) Physical Therapist – copy of license and educational services certificate issued by the State Board of Examiners;
- (4) Psychologist – copy of educational services certificate issued by the State Board of Examiners;
- (5) Social Worker – copy of educational services certificate issued by the State Board of Examiners; and
- (6) Speech-language Specialist:
  - (a) Qualification and documentation for provision of evaluation services shall include:
    - (i) Copy of licensed physician's orders, which shall be maintained with the student's IEP; or
    - (ii) Copy of New Jersey license as a speech-language pathologist and educational services certificate with a speech-language specialist endorsement (N.J.A.C. 6A:9B-14.6) for the individual whose signature appears on the IEP; or
    - (iii) Copy of documentation that identifies the referral of speech services included in or with the student's IEP.
  - (b) Qualification for provision of related services shall include:
    - (i) Copy of educational services certificate or endorsement issued by the State Board of Examiners and an American Speech-Language-Hearing Association (ASHA) Certificate of Clinical Competence; or
    - (ii) Copy of educational services certificate with a speech-language specialist endorsement and a valid license authorized by the State Audiology and Speech-Language Pathology

Advisory Committee in accordance with  
N.J.S.A. 45:3B-1 et seq.

- (7) Audiologist – copy of license issued by the State Audiology and Speech-Language Pathology Advisory Committee in accordance with N.J.S.A. 45:3B-1 et seq.
- c. Practitioners who are not Medicaid qualified can deliver services under the direction of Medicaid qualified practitioners. Practitioners who are not Medicaid qualified include only certified occupational therapist assistants, physical therapist assistants, speech-language specialists who do not meet the qualifications at N.J.A.C. 6A:23A-5.3(e)2.vi(2)(A) or (B) and C.2.b.(6)(i) and C.2.b.(6)(ii) above, and licensed practical nurses.
- d. Any direct therapy or other related service shall be prescribed in the related services section of the student's IEP prior to submitting a claim to Medicaid for reimbursement. Delivery of nursing services and dispensing of medication shall be referenced in the IEP and supported by physicians' orders or prescriptions, which shall be maintained on file. Supporting documentation to be maintained by the district shall be the cover/signature page, related services section of the IEP, therapy logs, and the evaluations and assessments conducted by the Medicaid-qualified practitioners.
- e. Entities where the district has placed SEMI-eligible students shall take steps to enable districts to maximize participation, including either logging the eligible services provided directly through the third-party system as determined by the New Jersey Department of the Treasury or the sending district, as mutually agreed upon with the district, and obtaining SEMI provider qualification certifications. Every out-of-district placement shall provide copies of SEMI provider qualifications, certifications, and licenses. N.J.A.C. 6A:23A-5.3(e)5. applies to the following out-of-district placement options:
  - (1) Approved private schools for students with disabilities;
  - (2) Educational services commissions;
  - (3) Jointure commissions;
  - (4) Vocational half-time programs;

- (5) New Jersey Department of Education regional day schools;  
and
  - (6) County special service school districts.
- f. If the district does not have an approved waiver pursuant to N.J.A.C. 6A:23A-5.3(b) and A. above the district shall comply with the program requirements to assure the year-end cost settlement of SEMI claims is properly calculated with the standardized submission of quarterly and annual cost data, as well as staff pool lists transmitted directly through the third-party system as determined by the New Jersey Department of the Treasury.
  - g. To retain reimbursement, if the district does not have an approved waiver pursuant to N.J.A.C. 6A:23A-5.3(b) and A. above, the district shall ensure compliance with the necessary components of the cost settlement requirements which include completion of the online questionnaire – Random Moment Time Study (RMTS) – by staff provided directly through the third-party system as determined by the New Jersey Department of the Treasury.
  - h. All supporting documentation for a Medicaid claim shall be maintained on file and available for audit or State review for at least seven years from the date of service. Supporting documentation shall include provider certification (current and historical for each provider); provider service logs, licenses, and/or certificates issued by the Division of Consumer Affairs or the New Jersey Department of Education, as applicable; physician authorizations for nursing services; parental consent forms; attendance records; and copies of the student’s IEP.

D. SEMI Action Plan

- 1. If the school district has less than ninety percent participation of SEMI-eligible students in the prebudget year or that has failed to comply with all program requirements at N.J.A.C. 6A:23A-5.3(e) and C.2. above, the district shall submit a SEMI action plan to the Executive County Superintendent for review and approval as part of the district’s proposed budget submission.
- 2. The SEMI action plan shall include the following components:

- a. Procedures for obtaining parental consent forms, such as the Parental Consent Best Practices that are available from the New Jersey Department of Education.
  - b. Establishment of a benchmark for the year of implementation or for the first year the district does not have an approved waiver pursuant to N.J.A.C. 6A:23A-5.3(b) and A. above, whichever is applicable, for obtaining maximum participation of all SEMI-eligible students by the start of the subsequent school year.
    - (1) The benchmarks for the first year of implementation or for the first year the district does not have an approved waiver pursuant to N.J.A.C. 6A:23A-5.3(b) and A. above, whichever is applicable, for achieving maximum participation shall close, at a minimum, the gap between current participation and maximum participation by fifty percent by the beginning of the subsequent school year; and
    - (2) The benchmarks shall be based on the percentage of parental consent forms collected from eligible students. The number of parental consent forms shall reflect one parental consent form or one document noting parental refusal for each eligible student;
  - c. Procedures to ensure all IEP meetings are documented in the third-party administrator's system. IEPs are claimable only if a Medicaid qualified practitioner is present and it is documented that a health-related service is discussed;
  - d. Procedures to ensure all SEMI-eligible services, including services provided by entities where the district has placed SEMI-eligible students, are documented in the third-party administrator's system;
  - e. Procedures to ensure a valid IEP is on file and the IEP date is on file in the third-party administrator's system for each SEMI-eligible student for whom parental consent has been obtained; and
  - f. Procedures to ensure service providers used by the school district and entities where the district has placed SEMI-eligible students have valid licenses and certifications documenting SEMI provider qualifications on file in the third-party administrator's system.
3. If the district does not achieve ninety percent participation, or does not achieve their approved benchmarks in the SEMI program for a given budget year and cannot demonstrate they fully implemented their New

Jersey Department of Education-approved SEMI action plan required at N.J.A.C. 6A:23A-5.3(f) and (g) and D. above, the district shall be subject to review for the withholding of State aid by the Commissioner of Education, pursuant to N.J.S.A. 18A:55-3, in an amount equal to the SEMI revenue projection based on their approved benchmark for the budget year, if applicable, less actual SEMI reimbursements for the budget year. The State aid deduction shall be made in the second subsequent year after the budget year.

4. If the district does not meet the requirement of the cost-settlement components of SEMI, the district may be required to refund all or part of their SEMI reimbursements.

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## BUDGET PREPARATION

R 6220

The annual school district budget will be prepared in accordance with the following procedure.

### A. Responsibility

1. The School Business Administrator/Board Secretary or designee is responsible for the administration and coordination of all budget preparation activities and will be guided by the budget planning forecasts prepared in accordance with Policy 6210.
2. Each Principal will assess the educational needs of the students, collect and evaluate the requests for funds submitted by the teaching and support staff members in their building, and compile an estimate of the total building needs for the next budget year. The estimate will be submitted to the School Business Administrator/Board Secretary or designee.
3. Each central office administrator will assess the needs of the program operation for which they are responsible (such as staff recruiting, facilities maintenance, transportation, capital improvements) and will prepare an estimate of the program needs for the next budget year. The estimate will be submitted to the School Business Administrator/Board Secretary or designee.

B. Priorities

1. All estimates submitted to the School Business Administrator/Board Secretary or designee in accordance with paragraph A.2. and paragraph A.3. above will be reasonably detailed and supported by appropriate documentation to justify the expenditures requested. The administrators charged with estimating budgetary needs will be guided by these cost priorities;
  - a. Staffing adequate to sustain the current instructional program;
  - b. Supplies and equipment adequate to sustain the current instructional program;
  - c. Maintenance of current facilities and programs;
  - d. New staff members to improve or expand the current program;
  - e. New supplies and equipment to improve or expand the current instructional program; and
  - f. New instructional programs.
2. The Superintendent or designee and the School Business Administrator/Board Secretary will review all estimates for budget allocations and, as necessary, discuss justifications and possible alternatives with the originating administrator. The Superintendent or designee and the School Business Administrator/Board Secretary will:
  - a. Compare budget requests with inventory to determine whether requested resources are presently available;
  - b. Analyze budget requests on a district-wide basis to determine whether requested resources can be shared; and
  - c. Analyze budget requests for staffing requirements and convert those requirements to dollar equivalents.

C. Form

1. The tentative budget shall contain:
  - a. The total expenditure for each item for the preceding school year, the amount appropriated for the current school year adjusted for transfers as of the date specified by the New Jersey Department of



Education (NJDOE) of the current school year, and the amount estimated to be necessary to be appropriated for the ensuing school year, indicated separately for each item as determined by the Commissioner;

- b. The amount of the surplus account available at the beginning of the preceding school year, at the beginning of the current school year and the amount anticipated to be available for the ensuing school year;
- c. The amount of revenue available for budget purposes from the preceding school year, the amount available for the current school year as of the date specified by the NJDOE and the amount anticipated to be available for the ensuing school year in the following categories as applicable:
  - (1) Revenues to be raised by local sources;
  - (2) Revenues from State Aid;
  - (3) Revenues from Federal Aid;
  - (4) Revenues from intermediate sources; and/or
  - (5) Other sources of revenue;
- d. Transfers between current expense and capital outlay for the preceding school year, the current school year as of the date specified by the NJDOE of that year and transfers anticipated for the ensuing school year;
- e. A presentation of the student population for the current school year and immediate past school year as reported in the application for State School Aid, and an estimate of the anticipated student population for the next school year;
- f. An estimate of staff composition by numbers in each administrative, instructional, and educational services area for the next school year; and
- g. Any additional information required by the NJDOE and the Board of Education.
- h. All budgetary and accounting systems used in the school district must be in accordance with double-entry bookkeeping and

Generally Accepted Accounting Principles as included in statutes and administrative code.

D. Timeline

The Superintendent or designee and the School Business Administrator/Board Secretary will submit the tentative budget recommendations to the Board of Education in accordance with the budget timeline established by the NJDOE and the Board. The proposed expenditures and anticipated revenues in the tentative budget will be supported by sufficient explanatory information to enable the Board to determine their validity.

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