



**New Jersey State Legislature  
Office of Legislative Services  
Office of the State Auditor**

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## **City of Vineland Public Schools**

July 1, 1997 to June 30, 1999

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**Richard L. Fair  
State Auditor**

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The Honorable Donald T. DiFrancesco  
President of the Senate

The Honorable Jack Collins  
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Mr. Albert Porroni  
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Enclosed is our report on the audit of the City of Vineland Public Schools for the period July 1, 1997 to June 30, 1999.

If you would like a personal briefing, please call me at (609) 292-3700.

A handwritten signature in black ink, appearing to read 'Richard L. Fair', written over a light gray grid background.

Richard L. Fair  
State Auditor

April 18, 2000

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## City of Vineland Public Schools

### *Scope*

We have completed an audit of the City of Vineland Board of Education for the period July 1, 1997 to June 30, 1999. Our audit was limited to salary expenditures for the two year period and non-salary expenditures for school year 1998-1999 recorded in the General Fund. The prime responsibility of the City of Vineland Board of Education is to provide a quality education to 9300 pre-kindergarten to twelfth grade students. The City of Vineland Board of Education employs 1600 full and part-time employees. Expenditures for salaries and benefits, which represent 65 percent of total expenditures, were \$66 million for school year 1997-1998 and \$77 million for school year 1998 -1999. Non-salary General Fund expenditures were \$31 million in school year 1998-1999.

### *Objectives*

The objectives of our audit were to determine whether expenditure transactions were related to the school district's programs, were reasonable, and were recorded properly in their accounting system. This audit was conducted pursuant to the State Auditor's responsibilities as set forth in N.J.S.A.18A:7F-6d.

### *Methodology*

Our audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. In preparation for our testing, we studied legislation, administrative code, policies of the board, and the *New Jersey Department of Education Comparative Spending Guide*. Provisions that we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our samples of financial transactions. We also read the budget, reviewed financial trends, and interviewed district personnel to obtain an understanding of the district's programs and internal controls.

A nonstatistical sampling approach was used. Our samples of expenditure transactions were designed

to provide conclusions about the validity of transactions as well as internal control and compliance attributes. Transactions were judgmentally selected.

*Conclusions*

We found that the expenditure transactions included in our testing were related to the school district's programs, were reasonable and were properly recorded in their accounting system. In making this determination, we noted certain internal control weaknesses and matters of compliance with laws and regulations meriting management's attention.

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## Overtime

**The district should review and control overtime to eliminate unnecessary expense.**

The district does not adequately monitor overtime or have policies regarding overtime usage. District overtime payments totaled \$1.1 million in school year 1997-1998. This amount increased to \$1.5 million in school year 1998-1999. Overtime should normally be the result of nonrecurring unexpected events or emergency situations. It should not alleviate conditions which occur on a routine basis.

### Maintenance Department

This department had 120 of 124 employees receive overtime payments totaling \$458,000 during school year 1997-1998. Six employees received overtime payments in excess of 50 percent of their base salary. This amount increased to \$678,000 in school year 1998-1999 when 131 of 135 employees received overtime. Sixteen employees received overtime payments in excess of 50 percent of their base salary during this period. Our review of this overtime disclosed the following:

- Employees received overtime on a daily basis to open buildings. They also received overtime while waiting for subsequent shift personnel to arrive.
- Substitutes were not employed when building maintenance workers/custodians were absent from their normal routines. Other staff employees filled in and were paid at an overtime rate.
- Overtime payments were made for duties arising from scheduled school activities and athletic events. No scheduling adjustments were attempted to alleviate the need for overtime.
- Supervisors were paid overtime for routine responsibilities including scheduling and other paper work.

- One employee earned \$1,100 in overtime during one week. The employee worked 85 hours during this period while on a scheduled vacation. These hours were compensated at the overtime rate and the employee also received his regular weekly salary.

### **Athletic Department (Recreation Maintenance Workers)**

The district's three recreation maintenance workers earned a total of \$48,000 in overtime during school year 1997-1998. Individual overtime earnings were in excess of 55 percent of their base salaries. During school year 1998-1999 overtime earnings totaled \$48,000 for these employees as well. Individual overtime earnings for two of the three employees were in excess of 69 percent of their base salaries.

Overtime is predominately utilized to alleviate conditions arising from athletic events which occur on a routine basis. The events which include team practices and games primarily commence after the regularly scheduled work day ends for these employees. No scheduling adjustments were attempted to alleviate the need for overtime.

One employee worked 38 hours of overtime over a two-day period which included a holiday and a Saturday. The explanation for the overtime indicated on the employee timecard included cleanup, wrestling practice and "Sleep over".

A signature stamp was utilized to authorize overtime payments on 44 of 47 employee timecards reviewed.

### **Administration (Non-School Personnel)**

During school year 1997-1998, 41 of 52 employees received overtime payments totaling \$118,000. This amount increased to \$144,000 in school year 1998-1999 as 40 of 53 employees received overtime.

Four employees in the payroll unit each earned between \$8,000 and \$12,500 annually in overtime. Routine duties, including sorting checks, processing timesheets, and batching and distributing paychecks were consistently listed on employee timesheets as reasons for the overtime. Employees were paid overtime for starting their workday 15 minutes early, staying 15 minutes late or working through lunch without preapproval.

**Garage (Mechanics)**

The district's seven garage mechanics earned a total of \$40,000 in overtime during school year 1997-1998. This amount increased to \$46,000 during school year 1998-1999 even though the staff increased to eight mechanics. Employee timecards are utilized to account for weekly overtime worked. Supervisory authorization and an explanation for the overtime is required to be recorded on the back of the timecards by day. However, we noted a lack of both elements on over 95 percent of the timecards processed in school year 1998-1999.

**Security**

Security guards are paid overtime for all hours worked beyond 35 in any one week. According to the contract, security guards have the same work year as the educational staff. Therefore, holidays are not included for purposes of calculating overtime. The payroll unit included holidays when calculating overtime which resulted in overpayments of \$1,870 in school year 1998-1999.

***Recommendation***

We recommend that the Vineland School District develop, implement and enforce procedures necessary to ensure the need, authorization and monitoring of overtime. This process should also include adjusting employee work schedules to accommodate scheduled events and employing substitute building maintenance workers/custodians to fill in for employees absent from their regular shift.

***Auditee's Response***

Management changes are underway in the maintenance department, which will address the



lack of supervision with regard to the overtime issue. Administration will develop a policy on overtime. This policy will address the appropriate types of overtime and categories of staff eligible for overtime. Once adopted by the Board of Education, the policy will be expanded into a detailed procedure covering overtime authorization and approval, while complying with provision of the negotiated agreements with employee associations. This procedure will be incorporated into the payroll administrative guidelines. Appropriate staff supervisors will review and adjust scheduled employee work hours to eliminate or reduce overtime. A pool of substitute custodians to fill in for employees absent from their regular shifts has been established. With the implementation of the above listed items, the need for overtime by the payroll department will be drastically reduced.

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### **Bus Drivers**

The City of Vineland Board of Education has an agreement with the Amalgamated Local 2327 UAW, AFL-CIO Union, which establishes work hours and salary for school bus drivers. The work period as stipulated in the agreement is four hours per day “for bus driving, cleaning, reporting” and other duties. As a matter of practice, the four hours are allocated two hours for driving and two hours for non-driving. Additional driving beyond two hours is compensated at a fixed rate that is generally greater than the regular rate. We noted that bus drivers spend approximately one hour per day performing non-driving duties. Therefore, if the higher fixed rate was paid after three hours of driving per day, thus compensating bus drivers one hour per day to perform non-driving duties, the district would have saved approximately \$240,000 in school year 1998-1999.

The extra two hours of pay for non-driving duties was initiated years ago to ensure that the bus

**C**ompensation of employees should be based on actual hours worked.

drivers' work week was at least 20 hours thus qualifying them for health benefits. During school year 1998-1999, full-time bus drivers were scheduled to drive an average of 5.4 hours per day thus qualifying them for health benefits anyway.

***Recommendation***

We recommend that the City of Vineland Board of Education develop and implement a compensation plan for bus drivers that includes a maximum of one hour per day for non-driving duties.

***Auditee's Response***

The current bus driver's negotiated agreement established the current pay structure. This recommendation will be addressed during the next negotiation process.

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