



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY
12234

DEPUTY COMMISSIONER
Office of Performance Improvement and Management Services
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October 30, 2013

The Honorable Thomas P. DiNapoli
Comptroller
Office of the State Comptroller
110 State Street, 15th Floor
Albany, NY 12236

RECEIVED
EXECUTIVE CORRESPONDENCE

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OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER

Dear Comptroller DiNapoli:

In accordance with the provisions of Section 170 of the Executive Law, the following are actions that the State Education Department (Department) has taken, or will be taking, to implement the recommendations contained in the Office of the State Comptroller's (OSC) Final Audit Report (2012-S-16) of John A. Coleman School: Compliance with the Reimbursable Cost Manual.

Recommendation #1: Review the disallowances resulting from our audit and make the appropriate adjustments to the costs reported on the CFRs. Adjust Coleman's tuition reimbursement rates as appropriate.

We agree with this recommendation. The Department has reviewed the \$639,338 in recommended audit adjustments for the three years ending June 30, 2011. We have applied all of the recommended adjustments and calculated audit rates that reduced funding in accordance with OSC's findings.

Recommendation #2: Direct Coleman officials to fully comply with the provisions in the Manual and to ensure that only eligible costs are included on the CFR.

We agree with this recommendation. The Board of Regents directed the Department to require that individuals signing the CFR certification statements, namely Executive Directors and Certified Public Accountants, complete CFR training. This may be accomplished by either attending a formalized Interagency CFR training at one of the six locations it is offered across the state or by completing an on-line CFR training course developed by the Department's Rate Setting Unit (RSU). The RSU will be tracking and verifying that individuals have completed the training beginning with the 2012-13 CFR submission. The RSU will also continue to provide technical assistance whenever requested and will strongly recommend to Coleman officials that they take advantage of our availability to help them better understand the standards for reimbursement as presented in Regulation and the Reimbursable Cost Manual (RCM).

If you have any questions regarding this response, please contact Ann Marsh, Director of the Rate Setting Unit at (518) 473-2020.

Sincerely,

A handwritten signature in black ink that reads "Sharon Cates-Williams". The signature is written in a cursive style with a large initial 'S'.

Sharon Cates-Williams