

6422 BUDGET TRANSFERS, EMERGENCY PURCHASES AND
OVEREXPENDITURE OF FUNDS

The laws of the State and the interest of the community demand fiscal responsibility by the Board of Education in the operation of the school district. The Board directs the implementation of such fiscal controls as will ensure that public moneys are not disbursed in amounts in excess of the funds provided to this district and that expenditures do not exceed the amount budgeted for each line item account.

Budget Transfers

The School Business Administrator/Board Secretary will not approve an encumbrance or expenditure which, when added to the total of the existing encumbrances and expenditures, exceeds the amount appropriated by the Board in the applicable line item account established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1.

The Board has adopted an expanded chart of accounts pursuant to N.J.A.C. 6A:23-2.2(g)2 and pursuant to N.J.A.C. 6A:23-2.11(a)2 the Board in accordance with N.J.S.A. 18A:22-8.1, designates the Superintendent to approve such budget transfers as are necessary between Board meetings, provided the transfers are reported to the Board, ratified and duly recorded in the minutes at a subsequent meeting of the Board, but not less than monthly. The Board will ratify, by resolution of the Board, the budget transfers between line items which exceed the minimum chart of accounts as per N.J.A.C. 6A:23-2.11(a)2.

Emergency Purchases

In the event of emergency as defined in N.J.S.A. 18A:18A-7 et seq., a purchase order up to the amount of \$17,500 may be authorized by the School Business Administrator/Board Secretary. Emergency purchases in excess of the bid threshold may be negotiated or awarded without public advertising for bids only when an emergency affecting the health and safety of occupants of school property requires the immediate delivery of goods and services, provided the contracts are awarded in accordance with N.J.S.A. 18A:18A-7. Any such emergency authorization shall be reported to the Board at its next meeting.

Overexpenditure of Funds

The Board Secretary shall present the Board a certification each month that no line item account has encumbrances and expenditures, which in total exceed the line item appropriation as defined in the budget transfer section above and in violation of law or this policy. In addition, the Board, after review of the Board Secretary's monthly financial report, shall certify in the minutes that no major account or fund has been overexpended and that sufficient funds are available to meet the district's financial obligations for the remainder of the fiscal year.

If the Board Secretary reports an overexpenditure or the Board is unable to certify that no overexpenditure has been made, the Board will eliminate the deficit by approving a resolution that transfers amounts among line item items and/or from the unreserved fund balance.

In the event the district is anticipating an overexpenditure in the general, capital projects, or debt service funds, the Superintendent will notify the County Superintendent pursuant to N.J.A.C. 6A:23-2.11(b). The Superintendent will notify the County Superintendent of the projected amount of the anticipated overexpenditure, the reason or reasons for the overexpenditure, and the action being taken by the Board to avoid the overexpenditure. Any such corrective action will be recorded in the Board minutes.

The Board recognizes that it is a crime of the fourth degree for a Board member to purposely and knowingly disburse, order, or vote for the disbursement of public funds in excess of appropriations or incur obligations in excess of the appropriate limits of expenditure set by law.

N.J.S.A. 2C:30-4
N.J.S.A. 18A:18A-1 et seq.; 18A:18A-7; 18A:22-8 et seq.
N.J.A.C. 6A:23-2.11 et seq.; 6A:23-2.3 et seq.

Adopted: 9 February 2004

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