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Revised: March 22, 2016

6111 SPECIAL EDUCATION MEDICAID INITIATIVE (SEMI) PROGRAM

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

The school district may seek, in the prebudget year, a waiver of the requirements of N.J.A.C. 6A:23A-5.3 in accordance with the procedures as outlined in N.J.A.C. 6A:23A-5.3(b). As part of the annual budget information, the Department of Education shall provide each school district with a projection of available SEMI reimbursement for the budget year, as determined by the State Department of Treasury's third party administrator for SEMI.

Beginning with the 2009-2010 school year, the school district shall recognize as revenue in its annual school district budget no less than ninety percent of the projection provided by the Department of Education. The district may seek approval from the Executive County Superintendent to use its own projection of SEMI reimbursement upon demonstration that the numbers it used in calculating the projection are more accurate than the projection provided.

The school district shall strive to achieve maximum participation in the SEMI program. "Maximum participation" means obtaining a ninety percent return rate of parental consent forms for all SEMI eligible pupils. Districts shall enter all pupils following their evaluations into the third-party system to identify the district's universe of eligible pupils. This can be done without parental consent.

Districts participating in the SEMI reimbursement program shall comply with program requirements as outlined in N.J.A.C. 6A:23A-5.3(e).

A school district that has less than ninety percent participation of SEMI eligible pupils in the prebudget year or that has failed to comply with all program requirements set forth in N.J.A.C. 6A:23A-5.3(e) shall submit a SEMI action plan to the Executive County Superintendent for review and approval as part of the school district's proposed budget submission. The district's SEMI action plan shall include the components as outlined in N.J.A.C. 6A:23A:5.3(g).

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Districts that did not achieve ninety percent participation or achieve their approved benchmarks in the SEMI program for a given budget year and cannot demonstrate that they fully implemented their Department of Education approved SEMI action plan, shall be subject to review for the withholding of State aid by the Commissioner 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.

N.J.A.C. 6A:23A-5.3

Adopted: 21 October 2008

Revised: 24 August 2010

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R 6111 SPECIAL EDUCATION MEDICAID INITIATIVE (SEMI) PROGRAM

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

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 upon demonstration that for the subsequent school year:
 - a. The district projects, based on reliable evidence, that it will have forty or fewer Medicaid eligible classified pupils; or
 - b. The district demonstrates that efforts to participate in SEMI would not provide a cost benefit to the district, based on the projection of the district's available SEMI reimbursement for the budget year as set forth in N.J.A.C. 6A:23A-5.3 (c) and B. below.
2. The application for a waiver of the requirements of N.J.A.C. 6A:23A-5.3 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 a SEMI action plan to the Executive County Superintendent as required by N.J.A.C. 6A:23A-5.3(f) as part of its annual school district budget submission or demonstrate to the Executive County Superintendent 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 each school district with a projection of available SEMI reimbursement for the budget year, as determined by the State

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Department of Treasury's third party administrator for SEMI. The projection shall be based on the following:

- a. Number of Medicaid eligible pupils;
 - b. Assumption of twenty services per eligible pupils per year;
 - c. One IEP meeting per eligible pupil per year; and
 - d. Applicable SEMI reimbursement rates.
2. Beginning with the 2009-2010 school year, the school district shall recognize as revenue in its annual school district budget no less than ninety percent of the projection of available SEMI reimbursement. The district may seek approval from the Executive County Superintendent to use its own projection of SEMI reimbursement upon demonstration that 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. "Maximum participation" means obtaining a ninety percent return rate of parental consent forms for all SEMI eligible pupils. Districts shall enter all pupils following their evaluations into the third-party system to identify the district's universe of eligible pupils. This can be done without parental consent.
 2. Districts participating in the SEMI reimbursement program shall comply with program requirements as follows:
 - a. The school district shall implement Policy and Regulation 6111 concerning the effective and efficient administration of the SEMI reimbursement program consistent with the requirements of N.J.A.C. 6A:23A-5.3.
 - 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:

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- (1) Nurses – copy of license (DOE certification is not required for SEMI);
 - (2) Occupational Therapist – copy of license and DOE certification;
 - (3) Physical Therapist - copy of license and DOE certification;
 - (4) Psychologist – copy of DOE certification;
 - (5) Social Worker - copy of DOE certification;
 - (6) Speech Therapist – copy of DOE certification and American Speech-Language-Hearing Association (ASHA) Certification or Copy of DOE certification and past or present license (on or after January 1, 1993); or copy of DOE certification and documentation that the equivalent educational requirements and work experience necessary for ASHA certification have been met.
3. Practitioners who are not Medicaid qualified can deliver services under the direction of Medicaid qualified practitioners. These include certified occupational therapist assistants (COTAs), physical therapist assistants (PTAs) and speech correctionists.
 4. Any direct therapy or other related service shall be prescribed in the related services section of the pupil's IEP prior to submitting a claim to Medicaid for reimbursement. Delivery of nursing services and dispensing of medication must be referenced in the IEP and supported by physicians' orders or prescriptions. These documents must be maintained on file. The supporting documentation to be maintained by the school 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.
 5. Entities where the school district has placed SEMI eligible pupils shall take steps to enable school districts to maximize participation, including either logging the eligible services provided directly through the vendor or the sending school district, as mutually agreed upon with the school district, and obtaining SEMI provider qualification certifications. Every out-of-district placement must provide copies of SEMI provider

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qualifications, certifications and licenses. This provision applies to the following out-of-district placement options:

- a. Approved private schools for pupils with disabilities;
- b. Educational services commissions;
- c. Jointure commissions;
- d. Vocational half-time programs;
- e. Department of Education Regional Day Schools; and
- f. Special Service School Districts.

6. 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 certifications, physician authorizations for nursing services, parental consent forms, attendance records, and copies of the pupil's IEP.

D. SEMI Action Plan

1. Each school district that has less than ninety percent participation of SEMI eligible pupils in the 2007-2008 school year or has failed to comply with all program requirements set forth in C. above, shall demonstrate a good faith effort to achieve maximum participation and to maximize available SEMI revenue during the 2008-2009 school year by submitting a SEMI action plan to the Executive County Superintendent for review and approval by September 1, 2008. In subsequent years, each school district that has less than ninety percent participation of SEMI eligible pupils in the prebudget year or that has failed to comply with all program requirements set forth in C. above shall submit a SEMI action plan to the Executive County Superintendent for review and approval as part of the school district's proposed budget submission.
2. The SEMI action plan shall include the following components:

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- a. Procedures for obtaining parental consent forms including the Parental Consent Best Practices which are available from the New Jersey Department of Education.
- b. Establishment of a benchmark for the 2008-2009 school year or for the first year the district does not have an approved waiver pursuant to the provisions of N.J.A.C. 6A:23A-5.3(b), whichever is applicable, for obtaining maximum participation of all SEMI eligible pupils by the start of the subsequent school year:
 - (1) The benchmarks for the 2008-2009 school year or for the first year that the district does not have an approved waiver pursuant to N.J.A.C. 6A:23A-5.3(b), whichever is applicable, for achieving maximum participation shall at a minimum close 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 pupils. The number of parental consent forms shall reflect one parental consent form for each eligible pupil. This should include documentation of parental refusal to give consent.
- c. Procedures to ensure that all IEP meetings are documented in the third-party administrator's system. IEPs are only claimable if a Medicaid qualified practitioner is present.
- d. Procedures to ensure that all SEMI eligible services, including services provided by entities where the school district has placed SEMI eligible pupils, are documented in the third-party administrator's system.
- e. Procedures to ensure that a valid IEP is on file and the IEP date is on file in the third-party administrator's system for each SEMI eligible pupil for whom parental consent has been obtained.
- f. Procedures to ensure that service providers used by the school district and entities where the school district has placed SEMI eligible pupils have valid licenses and certifications documenting SEMI provider qualifications on file in the third-party administrator's system.

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- E. Districts that did not achieve ninety percent participation or 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 above shall be subject to review for the withholding of State aid by the Commissioner 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.

Issued: 21 October 2008

Revised: 24 August 2010

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6112 REIMBURSEMENT OF FEDERAL AND OTHER GRANT EXPENDITURES

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The Cash Management Improvement Act (CMIA) and related Federal regulations require a State to minimize the time elapsing between the transfer of funds from the United States Treasury and the expenditure of funds for program purposes. This requirement applies to grantees such as the State of New Jersey and their subgrantees, such as a school district. The State of New Jersey and school districts must assure funds have been, or will be, spent within a minimal amount of time after having been drawn from the Federal government.

In accordance with this requirement, the New Jersey Department of Education (NJDOE) has implemented a reimbursement request system of payment. The procedures as outlined in the New Jersey Department of Education Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures shall be followed by school districts in submitting reimbursement requests. Reimbursement requests for entitlement grant awards under Titles I, II-A, II-D, III, III Immigrant, IV and V of the No Child Left Behind Act (NCLB), the Individuals with Disabilities Education Act (IDEA), and the Carl D. Perkins Career and Technical Education Improvement Act of 2006 shall be made using the NJDOE's Electronic Web-Enabled Grant (EWEG) System.

Reimbursement requests by the School Business Administrator/Board Secretary or designee shall be made for individual titles and awards using the payment functionality of the EWEG system. Reimbursement requests shall be made for individual titles and awards. Reimbursement requests may only be for expenditures that have already occurred or will occur by the last calendar day of the month in which the request is made.

The submission of a reimbursement request constitutes a certification by the School Business Administrator/Board Secretary that the school district has previously made the appropriate expenditures and/or will make the expenditures by the last calendar day of the month in which the request is made and that the expenditures are allowable and appropriate to the cost objective(s) of the subgrant. Reimbursement requests must be in accordance with approved grant applications.

The Superintendent of Schools or designee is responsible for submitting an amendment application to the NJDOE for approval if a new budget category for which no funds were previously budgeted or approved has been created. The Superintendent of Schools or designee is responsible for submitting an amendment application to the NJDOE for approval if cumulative transfers among expenditure categories exceed ten percent of the total award or \$50,000 for IDEA, Perkins, and NCLB (per title); whichever is less.

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A reimbursement request may be submitted at any time after the subgrant has received final NJDOE approval. Reimbursement requests submitted at least ten business days before the end of the month but no later than the fifteenth day of the month will be reviewed and, if approved, processed for payment the first business day of the following month. School districts will normally receive payment by the fifth business day of the month and will be able to track the grant's payment history in EWEG through the payments link of the grant application.

Reimbursement requests must contain a brief description of the expenditures for which reimbursement is being requested. Individual line items need not be detailed. Expenditures must be supported by documentation at the school district level but should not be submitted to the NJDOE with a reimbursement request. The Superintendent of Schools or designee is responsible to maintain supporting documentation for seven years and for making it available to the NJDOE, the United States Department of Education, and/or their authorized representatives upon request. Documentation for salary expenditures is subject to the requirements of the applicable Federal Office of Management and Budget Circular: A-21, "Cost Principles for Educational Institutions;" A-87, "Cost Principles for State, Local, and Indian Tribal Governments;" A-122, "Cost Principles for Non-Profit Organizations;" and Education Department General Administrative Regulations (EDGAR). Documentation for all other expenditures must include evidence that the expenditures are allowable costs and of the relationship of the expenditure to the subgrant's cost objectives.

The NJDOE staff will review reimbursement requests to determine they meet the subgrant's criteria. When a reimbursement request is approved or denied, the school district will receive an email notification through the EWEG system. Approval of a reimbursement request by NJDOE does not imply approval of the expenditures as allowable or appropriate to the subgrant's cost objectives as the approval of expenditures will continue to be processed through the final report. The School Business Administrator/Board Secretary or designee assumes responsibility for assuring that all funds requested through the EWEG system either have already been expended, or will be expended according to the requirements of the CMIA.

New Jersey Department of Education Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures – July 2008

Adopted: 11 January 2011

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R 6112 REIMBURSEMENT OF FEDERAL AND OTHER GRANT EXPENDITURES

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The State of New Jersey and school districts must assure certain Federal and other grant funds have been, or will be, spent within a minimal amount of time after having been drawn from the Federal government. In accordance with this requirement, the New Jersey Department of Education (NJDOE) has implemented a reimbursement request system of payment. The procedures outlined in this Regulation are to be followed by school districts in submitting reimbursement requests. Reimbursement requests for entitlement grant awards under Titles I, II-A, II-D, III, III Immigrant, IV and V of the No Child Left Behind Act (NCLB), the Individuals with Disabilities Education Act (IDEA), and the Carl D. Perkins Career and Technical Education Improvement Act of 2006 shall be made using the NJDOE's Electronic Web-Enabled Grant (EWEG) System.

A. Definitions

1. "Cost objective" means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.
2. "Grant" means an award of financial assistance by the Federal government to the State of New Jersey, Department of Education or funds NJDOE receives from the State legislature to be awarded to eligible subgrantees.
3. "Grantee" means the State of New Jersey, Department of Education, to which a grant is awarded by the Federal government.
4. "Subgrant" means an award of financial assistance to an eligible subgrantee, in this case, awards by the State of New Jersey, Department of Education to local education agencies or other eligible entities.
5. "Subgrantee" means the local education agency, school district, or other legal entity to which a subgrant is awarded and which is accountable to the State of New Jersey, Department of Education for the use of funds provided.

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B. Procedures

1. Functionality

- a. The School Business Administrator/Board Secretary or designee will submit reimbursement requests using the payment functionality of the EWEG system.
- b. The payment functionality will be enabled upon final NJDOE approval of the subgrant application through the EWEG system.

2. Submission of Reimbursement Requests

- a. The School Business Administrator/Board Secretary or designee will make reimbursement requests for individual titles and awards. Therefore, reimbursement requests for NCLB will be made for each individual title. Reimbursement requests for IDEA must be made separately for Basic and Preschool as well as for the Perkins Secondary and Perkins Post-Secondary grant funds. Only one reimbursement request per month may be submitted for an individual title or award.
- b. Reimbursement requests may only be for expenditures that have already occurred or will occur by the last calendar day of the month in which the request is made. The following examples are based upon the schedule in Section C. below.
 - (1) The school district has ordered and received supplies and has paid the vendor. The school district may request reimbursement.
 - (2) The school district has ordered and received equipment but has not yet paid the vendor. The school district expects payment to be made on the last day of the month, following the monthly Board meeting. The school district may request reimbursement.
 - (3) The school district makes salary payments on the fifteenth and last day of each month. In a given month, the school district may request reimbursement for payroll expenditures actually made during the month and for the payroll scheduled for the last day of the month. The school district may not request reimbursement in anticipation of subsequent pay dates in the following month.

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- (4) The school district is responsible for payment of health benefits to its provider on a quarterly basis. The subgrantee may request reimbursement prospectively if payment to the provider will be made during the calendar month in which reimbursement is requested.
 - (5) The school district is responsible for reimbursing the State of New Jersey for pension and social security payments made on behalf of employees paid with Federal funds. For members of the Teachers' Pension and Annuity Fund (TPAF), school districts shall reimburse the State no later than November. The request for reimbursement for pension and social security contributions for members of TPAF should be made at the time the school district will make payment to the State. For members of the Public Employees Retirement System or other State pension systems, the school district should request reimbursement at the time payments are due to the State for pension contributions and to the Internal Revenue Service for Social Security contributions. The school district should not include fringe benefit calculations in their regular salary reimbursement requests.
- c. The submission of a reimbursement request constitutes a certification by the School Business Administrator/Board Secretary that the school district has previously made the appropriate expenditures and/or will make the expenditures by the last calendar day of the month in which the request is made. The submission of a reimbursement request also constitutes a certification that the expenditures are allowable and appropriate to the cost objective(s) of the subgrant.
 - d. Reimbursement requests must be in accordance with approved grant applications.
 - (1) The Superintendent of Schools or designee is responsible for submitting an amendment application to the NJDOE for approval if a new budget category for which no funds were previously budgeted or approved has been created.

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- (2) The Superintendent of Schools or designee is responsible for submitting an amendment application to the NJDOE for approval if cumulative transfers among expenditure categories exceed ten percent of the total award or \$50,000 for IDEA, Perkins, and NCLB (per title), whichever is less. The Superintendent of Schools or designee is responsible for monitoring the cumulative ten percent level of fiscal change.

C. Processing Timelines

1. Reimbursement requests may be submitted at any time after the subgrant has received final NJDOE approval. Reimbursement may be made for expenditures that have already occurred or will occur by the last calendar day of the month in which the request is submitted.
2. Reimbursement requests submitted at least ten business days before the end of the month but no later than the fifteenth day of the month will be reviewed and, if approved, processed for payment the first business day of the following month. School districts will normally receive payment by the fifth business day of the month and will be able to track the grant's payment history in EWEG through the payments link of the grant application.

D. Content of Reimbursement Requests

1. Reimbursement requests must contain a brief description of the expenditures for which reimbursement is being requested. Individual line items need not be detailed.
 - a. Example - \$8,750 is being requested in the 100 function code. The description is "salaries and instructional supplies."
2. Expenditures must be supported by documentation at the school district level. This documentation should not be submitted to the NJDOE with a reimbursement request. The Superintendent of Schools or designee is responsible to maintain supporting documentation for seven years and for making it available to the NJDOE, the United States Department of Education, and/or their authorized representatives upon request.
3. Documentation for salary expenditures is subject to the requirements of the applicable Federal Office of Management and Budget Circular: A-21, "Cost

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Principles for Educational Institutions;” A-87, “Cost Principles for State, Local, and Indian Tribal Governments;” A-122, “Cost Principles for Non-Profit Organizations;” and Education Department General Administrative Regulations (EDGAR). Documentation for all other expenditures must include evidence that the expenditures are allowable costs and of the relationship of the expenditure to the subgrant’s cost objectives.

E. Review and Approval of Reimbursement Requests

1. NJDOE staff will review reimbursement requests to determine that they meet the subgrant’s criteria, including but not limited to the following:
 - a. Adequate description of the expenditures is provided;
 - b. No new budget category has been created; and
 - c. The reimbursement request does not exceed the allowable threshold for an amendment as a result of cumulative transfers among expenditure categories.
2. When a reimbursement request is approved or denied, the school district will receive an email notification through the EWEG system.
3. Approval of a reimbursement request by NJDOE does not imply approval of the expenditures as allowable or appropriate to the subgrant’s cost objectives. Approval of expenditures will continue to be processed through the final report. The School Business Administrator/Board Secretary assumes responsibility for assuring that all funds requested through the EWEG system either have already been expended, or will be expended according to the requirements of the CMIA.

Adopted: 11 January 2011

6113 E-RATE

The Telecommunications Act of 1996 provides for a Federal funded program called the Universal Service Fund (USF) or E-Rate that is designed to provide affordable access to telecommunications services for all eligible schools and libraries in the United States. The program provides discounts on telecommunications services, Internet access and internal connections, and provides discounts of up to ninety percent to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access. The purpose of this Policy is to provide guidance and direction so the Dunellen School District can participate in the E-Rate program and this Policy assigns E-Rate responsibilities to school staff members to ensure the school district is in compliance with Federal Communications Commission and E-Rate participation requirements.

Full access to telecommunications and information resources makes possible the rich teaching and learning that take place in schools and libraries. For these institutions to provide the high level of service necessary for their students and patrons to participate fully in American society, the costs can be great. Telecommunications and Internet access, the hardware needed for assembling local networks, and maintenance of systems and machines can stretch budgets that are already under stress.

Universal Service Administrative Company (USAC) is responsible for processing applications for support, confirming eligibility, and reimbursing telecommunications companies and Internet access providers for discounted services delivered to eligible schools and libraries. USAC reviews applications, invoices, and other program information to ensure that applicants and service providers follow rules for the program set by the Federal Communications Commission (FCC). USAC also conducts Schools and Libraries Program beneficiary audits to ensure program compliance.

Eligible participants include public and most non-profit Kindergarten through grade twelve schools as well as all public and many private libraries. All program participants must carry out a competitive bidding process to select the most cost-effective companies to provide the goods and/or services requested.

Once eligible school districts complete the competitive bidding process, applicants submit to USAC all information required to demonstrate compliance with the rules required for receiving support. After approving applications, USAC notifies applicants of a commitment to fund the acquisition of services. When applicants start receiving services, USAC makes payments to the companies selected to provide those services.

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Funding may be requested under five categories of service: Telecommunications, Telecommunications Services, Internet Access, Internal Connections, and Basic Maintenance of Internal Connections. Discounts for support depend on the level of poverty and the urban/rural status of the population served and range from twenty percent to ninety percent of the costs of eligible services.

Eligible participants include public and most non-profit Kindergarten through grade twelve schools as well as all public and many private libraries. Guidance on the eligibility requirements to participate in the E-Rate Program is available on the USAC website at www.usac.org.

This Policy provides the steps to be used by this school district to receive E-Rate discounts.

Technology Plan

A Technology Plan is a plan prepared by the school district that explains how telecommunications and information technology will be used to achieve educational goals, curriculum reforms, or library service improvements. School districts applying for Priority 2 services (Internal Connections and Basic Maintenance) must prepare a technology plan.

In general, Technology Plans should not cover more than three years. Technology Plans should be written (at least in draft form) before an FCC Form 470 is posted to the USAC website in order to support the requests for services featured on that form, cover all twelve months of the funding year, and be approved by a USAC-certified Technology Plan Approver (TPA) before an FCC Form 486 is filed and before services start.

Technology Plans must, at a minimum, contain: clear goals and a realistic strategy for using telecommunications and information technology to improve education or library services; a professional development strategy to ensure that members of the staff know how to use these new technologies to improve education or library services; a needs assessment of the telecommunication services, hardware, software, and other services that will be needed to improve education or library services; and an evaluation process that enables the school district to monitor progress toward the specified goals and make mid-course corrections in response to new developments and opportunities as they arise.

In order to be eligible for E-Rate funding, the school district must have its Technology Plan approved for E-Rate use by the New Jersey Department of Education.

The School Business Administrator shall be responsible for developing the school district's technology plans and submitting the plans for approval to the New Jersey Department of Education.

Competitive Bidding Process

A competitive bidding process is a formal process to identify and request the products and services a school district needs so potential service providers can review these requests and submit bids. To open the process, the school district must post an FCC Form 470 to the USAC website and, if the school district chooses to or if required by the New Jersey Public School Contracts Law, N.J.S.A. 18A:18A-1 et seq., issue a Request for Proposals or prepare bid specifications.

The school district will determine eligible E-Rate funding products and services based on the needs as outlined in the school district's approved New Jersey Department of Education Technology Plan or as identified by the Superintendent, in consultation with school district administrative and technology staff members.

The entity that will run the competitive bidding process (which may be the school district, a State procurement agency, or another entity that the district has authorized to negotiate on its behalf with a Letter of Agency (LOA) or similar document) must file the FCC Form 470 (Description of Services Requested and Certification) and must be prepared to receive and evaluate bids and negotiate with service providers.

The FCC Form 470 for the upcoming funding year is generally available online on the USAC website a year before the start of the funding year. FCC Form 470 can be filed for a particular funding year as soon as it becomes available online. The entity filing the FCC Form 470 must wait at least twenty-eight days after the date that the FCC Form 470 is posted and the date the RFP is issued, whichever is later, before closing the competitive bidding process. Services provided under tariff or on a month-to-month basis require an FCC Form 470 to be posted each year. If, however, a multi-year contract results from the competitive bidding process, it is not necessary to post a new FCC Form 470 until a new contract is required.

After the FCC Form 470 is posted to the USAC website, USAC will issue an FCC Form 470 Receipt Notification Letter (RNL). This letter includes much of the information featured on the form, provides a means to correct certain errors, and discusses the next steps in the application process. The Network Operations and Control Systems Manager will review the RNL to ensure the products and services included in the RNL are accurate and will notify USAC within fifteen days of the postmark date of the RNL if there are

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any required revisions. If an unallowable correction on the Form 470 is identified, the district must post and certify a new Form 470 within the filing window. A new Form 470 must be posted at least twenty-eight days prior to signing a contract or selecting a service provider.

The entity filing an FCC Form 470 can issue a Request for Proposals (RFP) in addition to the FCC Form 470. For the purposes of this Policy, an RFP is a formal bidding document that describes the project and requested services in sufficient detail so that potential bidders understand the scope, location, and any other requirements. The district's formal bidding documents must indicate the district will accept bids on equal and/or equivalent goods or services. The district is not required to issue an RFP unless the State or local procurement rules or regulations require the district to do so. If the district issued or intends to issue an RFP, that information must be included on the FCC Form 470 along with information on how to obtain a copy of the RFP.

The entity filing the FCC Form 470 must ensure the competitive bidding process is open and fair. All bidders must be treated the same and no bidder can have advance knowledge of the project information. There shall be no secrets in the bidding process, such as information shared with one bidder but not with others. All bidders shall know what is required of them.

Service providers and potential service providers cannot offer or provide gifts to applicants and no school district employee or official shall solicit or accept a gift of any value from a service provider or potential service provider. These prohibitions are in effect during the entire funding year. In addition, the value of free services (e.g., price reductions, promotional offers, "free" products) must generally be deducted from the pre-discount cost of funding requests.

The competitive bidding process and the FCC 470 RNL process shall be coordinated and supervised by the Network Operations and Control Systems Manager.

Selecting Service Providers

After the close of the competitive bidding process, the school district shall evaluate the bids received and choose the bid that is the most cost-effective with the price of the E-Rate eligible products and services as the primary factor. The district may consider as many factors in this evaluation as it wants, but the price of the E-Rate eligible products and services must be included as a factor and must be weighted more heavily than any other single factor. The FCC Form 470 and the Request for Proposals (RFP), if issued, must both have been publicly available for a twenty-eight day period, whichever is later,

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before the district can close its competitive bidding process. Any evaluation of bids shall be in accordance with the New Jersey Public School Contracts Law, N.J.S.A. 18A:18A-1 et seq. and FCC Competitive Bidding Rules.

Preparing a Bid Evaluation Matrix helps evaluate bids and also provides documentation of the process followed to select a service provider. The Bid Evaluation Matrix shall be completed by the Network Operations and Control Systems Manager. All copies of bids (successful and unsuccessful), evaluation criteria, vendor contact information, and the signed contract shall be retained in accordance with the document retention guidance outlined in this Policy. The district can receive services:

1. Under tariff or on a month-to-month basis - Services such as basic telephone service or Internet access may not require a contract. The district must post an FCC Form 470 and open a competitive bidding process for these services each year.
2. Under a contract - Tariffed or month-to-month services provided under a contract are considered to be contracted services. Also, internal connections and basic maintenance products and services are generally provided under a contract. If the district posts an FCC Form 470 and signs a multi-year contract resulting from that posting, the district does not have to post an FCC Form 470 or open a competitive bidding process again for the life of that contract.

If the district intends to receive services under contract, the contract must have been preceded by the filing of an FCC Form 470 (NOTE: If the district has an existing contract that was not signed as a result of posting an FCC Form 470, the district can post an FCC Form 470 for the next funding year and consider its existing contract as a bid response. The district must evaluate any other bids received as well, as the district's existing contract may not be the most cost-effective solution.). The entity that filed the FCC Form 470 must also have followed the Schools and Libraries Program's competitive bidding rules and all applicable State and local contract and procurement rules and regulations.

The Board shall approve all contracts for products or services if the products or services were bid in accordance with N.J.S.A. 18A:18A-1 et seq., where an RFP was used to obtain proposals, or any contract to be awarded in excess of the bid threshold.

The district may sign a contract, which may be for one or more years and may include the option of voluntary extensions. If the district is eligible, it can purchase services from a

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State master contract; however, the district must file their own FCC Form 470 and use the State master contract pricing as a bid to consider in evaluating all potential bids. If the district is eligible to purchase from a State master contract, but that contract will expire before or during the upcoming funding year, the district and the State of New Jersey should follow the guidance for State replacement contracts (See State Master Contracts section on USAC website at www.usac.org).

The evaluation of bids and the selection of service providers or recommending service providers to the Board of Education, if required, shall be the responsibility of the School Business Administrator and the Network Operations and Control Systems Manager.

Applying for Discounts

To apply for Schools and Libraries Program discounts, the district must file an FCC Form 471 to provide USAC with information about the services being requested and the eligible discount(s). USAC will review the request, may ask for additional information, and will then issue a funding decision.

All contracts, if contracts are required, must be signed and dated before the FCC Form 471 is submitted to USAC.

The FCC Form 471 must be filed during a specific application window each year. In general, the application filing window opens about six months before the start of the funding year and is open for about two and a half months. All applications received or postmarked before the close of the filing window are considered as having arrived on the same day, and have priority over those submitted after the filing window has closed. The specific opening and closing dates of the filing window are published in advance on the USAC website.

After the FCC Form 471 is certified online or on paper, USAC will issue an FCC Form 471 Receipt Acknowledgment Letter (RAL). The RAL shall be reviewed by the Network Operations and Control Systems Manager within twenty calendar days of the school district's receipt of the RAL. This letter includes much of the information featured on the form, provides a means to correct certain errors, and discusses the next steps in the application process. The information the district must provide on the FCC Form 471 includes the following:

1. Entity numbers (also called Billed Entity Numbers (BENs)) for all entities receiving service (recipients of service), together with specific information for each entity (Block 4 of the form).

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2. NCES and/or FSCS codes for entities receiving service (Block 4).
3. Information on telephone and Internet access connections and speeds (Block 2).

For each funding request (a service or set of services specific to both a category of service and a service provider) the district must also provide:

1. Student counts to use for calculating discounts - the total number of students and the total number of students eligible for the National School Lunch Program (NSLP) as determined by the School Business Administrator.

The FCC also sanctions other mechanisms to determine a school's or district's level of need, as long as those mechanisms are based on - or do not exceed - the same measure of poverty used by NSLP.

The School Business Administrator will verify the student data used to calculate discounts in accordance with the eligibility requirements of the National School Lunch Program and the New Jersey Department of Agriculture.

2. Specific information on each service or set of services the district is requesting, including:
 - a. Name and Service Provider Identification Number (SPIN) of the service provider;
 - b. Cost of the service;
 - c. Contract number and other contract details (if there is a contract);
 - d. Start and end dates of service;
 - e. Worksheet(s) identifying the entity or set of entities receiving each service; and
 - f. A detailed description of products and services, referred to as an Item 21 attachment. These products and services shall be reviewed

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by the Network Operations and Control Systems Manager to ensure they are eligible for E-Rate funding according to the current Eligible Service List as published on the USAC website.

The district's certified FCC Form 471 and Item 21 attachment(s) are due on or before the close of the application filing window.

The school district is only able to receive support for internal connections in two of every five funding years. This applies to individual recipients (individual schools, libraries, or non-instructional facilities). For each eligible entity, the five-year period begins in any year in which that entity receives support for internal connections. Entities can use two years within any five-year period, looking back and looking forward from that year. FY 2007 was the first year that entities were ineligible for internal connections funding based on this rule (for entities that received funding for both FY 2005 and FY 2006 internal connections requests). USAC provides a Two-in-Five Tool that provides information on the school district's eligibility for funding of internal connections requests for multiple funding years. This rule does not apply to telecommunications and Internet access services or to basic maintenance of internal connections services categorized as Priority 2. Basic maintenance services are eligible for support each year if they are necessary to the operation of the internal connections network. The school district will be considered to have used a year if it has been specified in the FCC Form 471 Block 4 worksheet cited on one or more approved internal connections funding requests in that year.

The Network Operations and Control Systems Manager shall be responsible for applying for discounts from the School and Libraries Program.

Application Review

After the district files an FCC Form 471 and the associated Item 21 attachment(s) within the filing window, Program Integrity Assurance (PIA) reviewers at USAC will check the information on the form for completeness and accuracy and may have additional questions for the district to answer. All applications go through an initial review and a final review, which may involve questions from PIA reviewers on one or more of the following topics:

1. Eligibility of the entities receiving service (this review step generally occurs for entities that have not appeared on a previous application);
2. Eligibility of the services requested;

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3. Discount calculations;
4. Contracts;
5. The competitive bidding process; and/or
6. Any discrepancies between the information on the funding request and the associated Item 21 attachment.

The district must indicate the preferred mode of contact on FCC Form 471 Item 6c (telephone), 6d (fax), or 6e (email). Because PIA reviewers send written questions by fax or email, they will call the district and ask for a fax number or email address if the district indicated telephone as the preferred mode of contact. The district will have fifteen days to respond to PIA questions. The district can ask for more time, if needed, but a request for additional time will add more time to the review process.

Some applications undergo additional review - Selective Review is one example - where PIA reviewers may request more detailed responses that can include:

1. Documentation of the competitive bidding and service provider (vendor) selection processes;
2. Documentation of the district's ability to pay the non-discount share (the portion of the cost of eligible products and services not reimbursed by USAC); and/or
3. Proof the district has obtained necessary resources (i.e., hardware, software, staff training, electrical capacity, retrofitting) that are not eligible for Schools and Libraries Program discounts, but that must be in place to make effective use of the discounted services.

As part of the review process, PIA reviewers may be required to change the category of service on a Funding Request Number (FRN). If PIA reviewers discover there are ineligible services in a funding request, the district will be able to remove them or move them to a separate request to avoid denial under the thirty percent rule. After the PIA review process has been completed, USAC issues a Funding Commitment Decision Letter (FCDL) containing USAC's decisions on the district's funding requests. The district should review this letter carefully, as it contains important information both for planning the start of the receipt of services and for completing the additional steps in the application process. If the district disagrees with one or more of the decisions in the

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FCDL, the district can appeal to USAC or to the Federal Communications Commission (FCC).

The School Business Administrator or designee shall be responsible for preparing and providing the requested documentation for the application review(s).

Starting Services

After the district receives the Funding Commitment Decision Letter (FCDL) and the delivery of services has started, the School Business Administrator or designee shall be responsible for: filing a FCC Form 486 to inform USAC that services for which the district has been approved for discounts have started and invoicing can begin; assuring the district's Technology Plan, if required, has been approved by a USAC-certified Technology Plan Approver and the district is in compliance with the Children's Internet Protection Act (CIPA), 47 CFR 54.520, or CIPA does not apply because the district's application is only for Telecommunications Services and/or Interconnected Voice over Internet Protocol (VoIP) services. CIPA requirements include an internet safety policy, a technology protection measure, a public notice hearing or meeting, the monitoring of online activities of minors, and providing education to minors on appropriate online behavior.

The School Business Administrator or designee shall be responsible for reviewing the originating purchase order and/or contract to ensure the products and services on the purchase order or contract have been received in the district, and the invoice from the provider is consistent with the purchase order/contract and products and services received.

In advance of the start of services, the district and its service provider(s) should have a conversation about the details of the services the district will be receiving. The district should also review the contract, if there is a contract. In addition, the district should determine whether the district or its service provider will invoice USAC for the discounted amount of the cost of the services. Under certain circumstances, advanced installation of some Priority 1 components can occur before July 1 of the funding year.

The district can file an FCC Form 486 early (before services have started) if the district:

1. Received its FCDL; and
2. Services will start in the month of July; and

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3. The district can truthfully make all of the certifications in Block 4, which include compliance with the technology plan and CIPA requirements; and
4. The district is filing the form on or before July 31.

NOTE: Early filing using Item 6a on the FCC Form 486 is an option if and only if services will start within the month of July of the relevant funding year, all relevant certifications in Block 4 can be accurately made, and the FCC Form 486 is postmarked on or before July 31 of the Funding Year.

The district must be in compliance with the Schools and Libraries Program's technology plan requirements and the requirements of CIPA before services start. USAC cannot pay discounts on services received during a period of time when the district was not in compliance. USAC may review the district's compliance with these requirements either before or after the district's FCC Form 486 is processed.

The FCC Form 486 must be certified no later than one hundred twenty days after the service start date or one hundred twenty days after the date of the FCDL, whichever is later. Filing late can result in a reduction in funding; the later the filing date, the greater the reduction.

After USAC completes the processing of the district's FCC Form 486, USAC will issue an FCC Form 486 Notification Letter. This letter features the information the district provided on the form and outlines the next steps in the application process. If USAC was required to adjust the service start date for a funding request due to a compliance issue, the service start date in the letter will be marked with an asterisk and followed by an explanation of the reason for the adjustment.

To be eligible for program support, eligible services must be received during a specific period of time related to the particular funding year for which discounts are requested. Recurring services must be delivered during the relevant funding year (July 1 through June 30). In general, non-recurring services must be delivered and installed between July 1 of the relevant funding year and September 30, following the June 30 close of that funding year (i.e., fifteen months after the beginning of the funding year). However, certain recipients have received or may receive extensions of the deadline for delivery and installation of non-recurring services. Such extensions can occur for various reasons, including:

1. A Funding Commitment Decision Letter (FCDL) was issued by USAC on or after March 1 of the funding year for which support was authorized.

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2. Operational SPIN changes or service substitutions were approved by USAC on or after March 1 of the funding year.
3. The school district or service provider requested an extension because the service provider was unable to complete delivery and installation for reasons beyond the service provider's control.
4. The school district or service provider requested an extension because the service provider has been unwilling to complete delivery and installation after USAC withheld payment for those services on a properly-submitted invoice for more than sixty days after submission of the invoice.

USAC will automatically extend the service delivery deadline in situations where criteria (1) or (2) listed above are met. Recipients of non-recurring services that wish to satisfy criterion (3) must submit documentation to USAC on or before September 30 following the close of the funding year. A recipient of service that meets criterion (4) must certify to USAC on or before September 30 following the close of the funding year that its service provider was unwilling to deliver or install non-recurring services before the expiration of the deadline after USAC had withheld payment for those services on a properly submitted invoice for more than sixty days after the submission of the invoice.

The Network Operations and Control Systems Manager shall be responsible to coordinate the filing of the FCC Form 486.

Invoicing

After USAC has processed the district's FCC Form 486, the district or its service provider can begin the process of invoicing USAC for the discount share of the approved eligible services. The Network Operations and Control Systems Manager, in consultation with the school business office staff member responsible for authorizing the payment of invoices, shall be responsible for reviewing the originating purchase order and/or contract, the products or services on the purchase order or contract have been received by district, and the invoice from the service provider is consistent with the purchase order or contract. The Network Operations and Control Systems Manager shall only submit reimbursement requests to USAC for eligible products and services once the district's non-discounted portion is paid.

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There are two methods that can be used to invoice USAC. Once USAC has processed an invoice for a funding request, that method of invoicing must be used for that particular funding request for the remainder of the invoicing process.

1. Invoice Method #1

Applicants file FCC Form 472, Billed Entity Applicant Reimbursement (BEAR) Form if the district paid the service provider in full for the services and want to be reimbursed for the discount amount. The service provider must approve the form before it is submitted to USAC. USAC will review the invoice and process a payment to the service provider if payment is approved. The service provider then passes the reimbursement on to the applicant.

2. Invoice Method #2

Service providers file FCC Form 474, Service Provider Invoice (SPI) Form if they have provided discounted bills to their customer and want to be reimbursed for the discount amount.

Under both invoice methods, USAC will review the invoice and process a payment to the service provider if payment is approved. Applicants are required to pay the non-discount portion of the cost of the services.

The district can file a BEAR Form after all of the following have occurred:

1. The district received a Funding Commitment Decision Letter (FCDL); and
2. The district has filed, and USAC has processed, an FCC Form 486; and
3. The district's service provider has filed an FCC Form 473, Service Provider Annual Certification (SPAC) Form (disbursements cannot be made until the SPAC has been filed with USAC); and
4. The district paid for the service in full; and
5. In general, the services must have been delivered (an exception can be made for progress payments specified in a contract).

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The district must file, and the service provider must approve, BEAR Forms no later than one hundred twenty days after the last day to receive service or one hundred twenty days after the FCC Form 486 Notification Letter date, whichever is later. If the deadline is missed the district can request an invoice deadline extension.

After processing the district's BEAR Form, USAC will issue a BEAR Notification Letter with information about the processing of the district's form. If the district needs more information about a reduction or denial of payment, the district should refer to the invoice error code(s) featured on the letter.

After the end of each calendar quarter, USAC issues a Quarterly Disbursement Report that details all invoicing activity, BEAR Forms, and SPI Forms processed during that quarter for all funding years. This report allows the district to track all of the invoicing activity related to the district's Billed Entity Number (BEN). The district can initiate an invoice check if it would like to be notified each time the district's service provider submits a SPI Form.

The Network Operations and Control Systems Manager shall be responsible to ensure that all eligible E-Rate goods and services have been received, the service provider invoices are correct and the district's non-discounted portion of the invoice has been paid before submitting invoices to USAC. The Network Operations and Control Systems Manager shall review the eligible reimbursements that are made to any service provider to ensure the amounts being billed to USAC and the school district equal 100% of the invoiced amount. The Network Operations and Control Systems Manager will notify USAC and the provider in the event there are any problems with this reconciliation.

Annual Policy Review

The School Business Administrator shall be responsible to ensure this Policy is reviewed annually and make recommendation for any revisions to this Policy as needed.

Document Retention

All documents related to the E-rate Program, including but not limited to, the application process, the competitive bidding/vender selection process, and the invoicing process shall be retained for at least five years after the last date of service delivered for a particular funding year or in accordance with the New Jersey Division of Archives and Records Management Schedules of Record Retention, whichever is longer.

Adopted: 22 March 2016

6141 TAX REVENUES

The Board of Education believes that the interests of district taxpayers as well as the interests of the educational program are best served by the orderly, planned transfer of tax revenues to the school district as such funds are required to pay the debts of the district.

The Board Secretary shall request the Municipal Treasurer to transfer tax revenues in anticipation of district expenditures in accordance with law and at such intervals as the Board Secretary may determine to be appropriate.

N.J.S.A. 18A:7D-1 et seq.; 18A:17-34

N.J.S.A. 54:4-75

Adopted: 20 May 1997

Reviewed: 26 April 2005

6150 TUITION INCOME

The Board of Education will charge and assess tuition for pupils attending this school district that are not entitled to receive a free public education in this district or from a pupil's sending district for the pupil attending this school district as provided for by State statute.

Regular Public School District, excluding Educational Services Commissions or Jointure Commissions - A receiving public school district Board and a sending public school district Board will establish a written contractual agreement for the ensuing school year with a tentative tuition charge multiplied by the estimated average daily enrollment in accordance with N.J.A.C. 6A:23A-17.1(f). The sending district is required in the contractual agreement to pay ten percent of the tentative tuition charge no later than the first of each month from September through June of the contract year. Adjustments will be made in accordance with N.J.A.C. 6A:23A-17.1(f).

The Board will, with the consent of the Board upon such terms, admit nonresident pupils on a tuition basis pursuant to N.J.S.A. 18A:38-3.

The School Business Administrator/Board Secretary shall be responsible for the assessment and collection of tuition.

The Executive County Superintendent in the county in which the receiving district is located should be consulted to mediate disputes that arise from tuition matters as defined in N.J.A.C. 6A:23A-17.1(f)5.

N.J.S.A. 18A:38-3; 18A:38-19; 18A:46-21
N.J.A.C. 6A:23A-17.1
N.J.A.C. 6A:14-7.8

Cross reference: Policy Guide No. 5111

Adopted: 20 May 1997
Revised: 26 April 2005
Revised: 22 May 2012

6160 GRANTS FROM PRIVATE SOURCES

The Board of Education encourages the development of proposals to private foundations and other sources of financial aid to subsidize such activities as innovative projects, feasibility studies, long-range planning, and research and development. Any such activity must:

1. Be based on a specific set of project objectives that relate to the established goals of the district;
2. Provide measures for evaluating whether or not project objectives are being achieved; and
3. Conform to applicable state and federal laws and to Board policies.

The Board must approve all grant proposals before being submitted to the funding agency. The Superintendent or designee shall establish regulations for the processing of proposal ideas throughout the district.

Adopted: 20 May 1997

Revised: 26 April 2005

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Grants from Private Sources

R 6160 GRANTS FROM PRIVATE SOURCES

The Board of Education encourages and will accept funding from private sources, in accordance with Policy No. 6160. The following regulations govern the development and processing of private funding proposals.

A. Sources

1. The Superintendent or designee shall research sources of private funding through individuals and foundations. They shall prepare a list of appropriate funding sources in the community and state.
2. All school district employees are encouraged to be alert to possibilities for private resources for school aid, financial and in-kind, from community members and organizations. Any such possibility should be reported to the Superintendent or designee, who will explore the potential for aid with the employee and, as appropriate, the private resource.
3. The Superintendent or designee will visit the directors of foundations interested in educational progress and research to explore areas of mutual interest. They will determine whether the foundation will support specific program grants, graduate work for teaching staff members, the construction and/or improvement of school facilities, professional growth activities, arts education, community education, community and school liaison activities, and so forth.
4. The Superintendent or designee will identify specific district needs and formulate proposals for funding that meet those needs.

B. Approval

Any proposal for private funding must be approved by the Superintendent before it is formally submitted to the Board of Education. The rationale for the proposal must set forth the objectives for the funding, the proposed program statement, and the means by which the objectives will be evaluated.

Adopted: 20 May 1997
Revised: 26 April 2005

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Fiscal Planning

6210 FISCAL PLANNING

The Board of Education shall collect and assemble the information necessary to discharge its responsibility for the fiscal management of the school district and to plan for the financial needs of the educational program. The Board will strive toward maintaining both short and long range perspectives of district financial requirements.

Accordingly, the Board directs the School Business Administrator/Board Secretary to include cost estimates in all ongoing district studies of the educational program, to prepare a long range year-by-year plan for the maintenance and replacement of facilities and equipment, to forecast an estimated expenditure budget for one year in the future, to maintain a plan of anticipated state and federal revenues, to meet periodically with the municipal governing board to review planned expenditures and the joint effect of school and community costs on tax rates, and to report to the Board any serious financial forecast that emerges from the district's fiscal planning.

Adopted: 20 May 1997

Reviewed: 26 April 2005

R 6210 FISCAL PLANNING

The School Business Administrator/Board Secretary shall implement Policy No. 6210 by preparing a long-range fiscal plan. The plan shall take the form of a chart or spread sheet on which all estimated costs and revenues are plotted for the period of one year beyond the current fiscal year.

A. Future costs

Future costs will be estimated on the basis of

1. Cost studies and estimates for the maintenance and development of educational programs;
2. Costs of facilities and equipment maintenance and replacement;
3. Fixed charges (such as interest payments on bonds and redemption of bonds on schedule, lease payments, fixed payments on multi-year contracts);
4. Costs of employee wages and benefits in presently negotiated contracts (both collective and individual);
5. Projections of the cost of successor employee contracts, including the effect of pending graduate studies on the wages of teaching staff members;
6. Effects of projected pupil populations on capital requirements;
7. Effects of projected pupil populations on staffing requirements (by necessitating additional staff or a reduction in force);
8. Costs of pending contracts with variable obligations (such as sending-receiving, transportation);
9. Costs of projected operation changes (such as subcontracting custodial services or a change in the delivery of food services);
10. Projected tuition needs for pupils sent out of district; and
11. Costs of contracts for professional services (such as school medical inspector, school attorney, and auditor).

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Fiscal Planning

B. Future revenues

Future revenues will be plotted on the basis of

1. Anticipated state and federal aid;
2. Projected income from local property tax revenues;
3. Present grants in aid from state, federal, and/or private sources; and
4. Anticipated revenues from pending or future grant proposals.

C. Local impact

The School Business Administrator/Board Secretary or Board President may meet periodically with officers and the governing board(s) of Dunellen to review anticipated school district expenditures and to discuss the joint effect of school and community costs on local tax rates.

D. Report

The School Business Administrator/Board Secretary will confer with the Superintendent on the district long-range fiscal plan not less than annually. Any financial forecast that warns of serious future deficits, overexpenditures, or reduction in revenues shall be reported promptly.

Adopted: 20 May 1997

Revised: 26 April 2005

6220 BUDGET PREPARATION

The annual budget is the financial plan for the effectuation of the educational plan for the district; its preparation is, therefore, one of the most important functions performed by the Board of Education. The budget shall be designed to carry out that plan in a thorough and efficient manner, to maintain school district facilities, and to honor continuing obligations of the district.

A proposed budget requires the critical analysis of every member of the Board during its preparation. The administration shall work with the Board to ensure Board members have a thorough understanding of the budget appropriations, budget revenue, the proposed educational program and the budget's impact to the local tax levy. The Board shall also provide for community input during the budget development process.

The annual school district budget and supporting documentation shall be prepared in accordance with the provisions of N.J.S.A. 18A:7F et seq. and N.J.A.C. 6A:23A-8.1 et seq. The Board will obtain approval of the local funding for a non-referendum capital project (school facility project or other capital project) in accordance with the provisions of N.J.A.C. 6A:23A-8.4.

The Board will submit its proposed budget and supporting documentation as prescribed by the Commissioner to the Executive County Superintendent for approval.

The budget will be presented to the Board of Education to allow adequate time for review and adoption. The budget should evolve primarily from the needs of the individual schools as expressed by the Building Principals and the district educational program as expressed by the central administrative staff and be compatible with approved district plans.

The Board shall include in the budget application to the Executive County Superintendent a complete reporting of revenues and appropriations and other requirements pursuant to N.J.S.A. 18A:22-8 and N.J.S.A. 18A:7F-5 through 63.

The Board, upon submission of its budget application to the Executive County Superintendent or by the statutory submission date, whichever is earlier, shall make available upon request for public inspection all budget and supporting documentation contained in the budget application and all other documents listed in N.J.A.C. 6A:23A-8.1 once the budget application has been submitted to the Executive County Superintendent for approval.

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BOARD OF EDUCATION DUNELLEN

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Budget Preparation

The budget as adopted for the school year pursuant to N.J.S.A. 18A:7F-5 shall be provided for public inspection on the district's Internet site, if one exists, and made available in print in a "user-friendly" plain language budget summary format in accordance with the provisions of N.J.A.C. 6A:23A-8.1(c).

All budgetary and accounting systems used in the school district must be in accordance with double entry bookkeeping and Generally Accepted Accounting Principles as required in N.J.A.C. 6A:23A-16.1 et seq.

N.J.S.A. 18A:7F et seq.; 18A:22-7 et seq.
N.J.A.C. 6A:23A-8.1 et seq.; 6A:23A-16.1 et seq.

Adopted: 20 May 1997
Revised: 26 April 2005
Revised: 22 May 2012

R 6220 BUDGET PREPARATION

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

A. Responsibility

1. The Business Administrator/Board Secretary 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 No. 6210.
2. Each Principal will assess the educational needs of the pupils, collect and evaluate the requests for funds submitted by the teaching and support staff members in his/her building, and compile an estimate of the total building needs for the next budget year. The estimate will be submitted to the Business Administrator and Superintendent.
3. Each central office administrator will assess the needs of the program operation for which he/she is 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 Business Administrator and Superintendent.

B. Priorities

1. All estimates submitted to the Business Administrator and Superintendent in accordance with ¶A2 and ¶A3 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, listed in order of descending importance.
 - 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,

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- 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 will review all estimates for budget allocations and, as necessary, discuss justifications and possible alternatives with the originating administrator. The Business Administrator 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

The tentative budget shall contain:

1. 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 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;
2. 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;
3. 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 New Jersey Department of Education and the amount anticipated to be available for the ensuing school year in the following categories as applicable:
 - a. Revenues to be raised by local sources;

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- b. Revenues from State Aid;
 - c. Revenues from Federal Aid;
 - d. Revenues from intermediate sources;
 - e. Other sources of revenue.
4. Transfers between current expense and capital outlay for the preceding school year, the current school year as of the date specified by the New Jersey Department of Education of that year and transfers anticipated for the ensuing school year;
 5. A presentation of the pupil 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 pupil population for the next school year;
 6. An estimate of staff composition by numbers in each administrative, instructional, and educational services area for the next school year;
 7. 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 School Business Administrator/Board Secretary will submit the tentative budget recommendations to the Superintendent in accordance with the budget timeline established by the New Jersey Department of Education and the Board. The proposed expenditures and anticipated revenues in the tentative budget will be supported by sufficient explanatory information to enable the Superintendent and Board to determine their validity.

Adopted: 20 May 1997
Revised: 26 April 2005

6230 BUDGET HEARING

The annual budget adopted by the Board of Education and approved by the County Superintendent represents the Board's position on the allocation of resources required to operate a thorough and efficient system of education. All reasonable means shall be employed by the Board to present and explain that position to residents and taxpayers of the community. A public budget hearing will be conducted in accordance with law. Each member of the Board and each district administrator shall be sufficiently acquainted with the budget and its underlying purposes to be able to answer questions from members of the public.

The approved budget will be made available to the public in the form and at the places required by law. A simplified form of the budget may also be prepared annually and may be sent to each district resident, each parent or legal guardian of a pupil in public school, and representative of community organizations and distributed to each person attending the annual budget hearing.

The simplified budget may include the expenditure in each major category of current expense, capital items, and debt service; any anticipated change in tax rates; a summary of anticipated receipts; information that voters may use in comparing budget provisions in this school district with those in comparable districts; brief explanations of significant increases and decreases from the preceding budget and important transfers of expenditures from one classification to another; and a letter of transmittal from the Board.

N.J.S.A. 18A:22-10 et seq.; 18A:22-37 et seq.
N.J.S.A. 18A:7A-51

Adopted: 20 May 1997
Reviewed: 26 April 2005

6320 PURCHASES SUBJECT TO BID

The Board of Education directs the establishment and conduct of bidding procedures that serve the public interest and provide each qualified vendor an equal opportunity to furnish goods and services to the district.

Every contract for the performance of work or the purchase or lease of materials or supplies not exempted by law will be subject to public bidding whenever the aggregate value of such a contract within one contract year exceeds the bid threshold established by law and in accordance with N.J.S.A. 18A:18A-3.(a). Whenever possible, purchases will be aggregated; purchases may not intentionally be divided to avoid the requirements for competitive bidding as required in N.J.S.A. 18A:18A-8. The purchase of textbooks and materials that exceed the bid threshold and are approved by the Board pursuant to N.J.S.A. 18A-34-1 shall not require the further adoption of a resolution for purchase.

Bid specifications will be prepared and/or are coordinated by the Business Administrator. Each bid specification will offer a common standard of competition and will assert the Board's right to accept reasonable equivalents and to reject all bids and re-advertise. The Business Administrator is authorized to advertise for bids in accordance with N.J.S.A. 18A:18A-21 without the prior approval of the Board, but shall inform the Board of any such advertisement at the Board meeting next following. Records of advertisements will be kept in detail sufficient to show that a reasonable number of qualified vendors were invited to bid.

Bids shall be opened publicly by the Business Administrator before one or more witnesses at a previously designated time and place. Contracts will be awarded, on a resolution duly adopted by the Board, to the lowest responsible bidder who submits the lowest responsible bid, except that the Board may choose to reject all bids, to re-advertise, or to purchase under a State contract. The Board may disqualify a bidder who would otherwise be determined to be the lowest responsible bidder in accordance with N.J.S.A. 18A:18A-4. Whenever two or more bids are the lowest bids submitted by responsible bidders, the Board shall determine to which bidder the contract will be awarded in accordance with law.

The bid of a vendor who claims, before bids are opened, a mistake or omission in its preparation will be returned unopened. A bidder who discovers a mistake or omission after bids have been opened may withdraw the erroneous bid provided he or she gives immediate written notice of the mistake or omission and certification, supported by clear evidence, that he or she exercised reasonable care in the examination of the specifications and preparation of the bid. Any bidder who withdraws an opened bid shall forfeit any bid security deposited with the bid.

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In accordance with the provisions of N.J.A.C. 6A:23A-5.4, pursuant to the authority granted the Commissioner of Education under N.J.S.A. 18A:55-2 and N.J.S.A. 18A:7F-60, the Commissioner shall subject to review for the withholding of State funds any school district that fails to obey the provisions of the Public Contract law, N.J.S.A. 18A:18A-1 et seq. The amount of funds to be withheld shall equal the amount of the contract awarded in violation of the provisions of N.J.S.A. 18A:18A-1 et seq. except for violations related to the award of contracts under the extraordinary unspecifiable services (EUS) provision which shall be governed by the provisions of N.J.S.A. 18A:18A-46.1.

N.J.S.A. 18A:18A-1 et seq.
N.J.S.A. 18A:54-30 [vocational districts]
N.J.A.C. 6A:27-9.1 et. seq.

Adopted: 20 May 1997
Revised: 3 May 2005
Revised: 24 January 2008 6A citation only
Revised: 21 October 2008

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R6320 PURCHASES SUBJECT TO BID

A. Definitions

1. "Purchasing agent" means the School Business Administrator/Board Secretary or the Business Manager of the Board of Education duly assigned the authority, responsibility and accountability for the purchasing activity of the Board and having the power to prepare advertisements, to advertise for and receive bids and to award contracts as permitted by this chapter, but if there be no School Business Administrator/Board Secretary or Business Manager, such officer, committees or employees to whom such power has been delegated by the Board.
2. "Aggregate" means the sums expended or to be expended for the provision or performance of any goods or services in connection with the same immediate purpose or task, or the furnishing of similar goods or services, during the same contract year through a contract awarded by a purchasing agent.
3. "Bid threshold" means the dollar amount set in N.J.S.A. 18A:18A-3, above which a Board shall advertise for and receive sealed bids in accordance with procedures set forth in N.J.S.A. 18A:18A-1 et seq.
4. "Contract year" means the period of twelve consecutive months following the award of a contract.
5. "Goods and services" or "goods or services" means any work, labor, commodities, equipment, materials, or supplies of any tangible or intangible nature, except real property or any interest therein, provided or performed through a contract awarded by a purchasing agent, including goods and property subject to N.J.S.A. 12A:2-101 et seq.
6. "Lowest price" means the least possible amount that meets all requirements of the request of a purchasing agent.
7. "Lowest responsible bidder or vendor" means the bidder or vendor: (1) whose response to a request for bids offers the lowest price and is responsive; and (2) who is responsible.
8. "Official newspaper" means any newspaper designated by the Board pursuant to R.S.35:1-1 et seq.

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9. "Quotation" means the response to a formal or informal request made by a purchasing agent to a vendor for provision or performance of goods or services, when the aggregate cost is less than the bid threshold. Quotations may be in writing, or taken verbally if a record is kept by the purchasing agent.
 10. "Responsible" means able to complete the contract in accordance with its requirements, including but not limited to requirements pertaining to experience, moral integrity, operating capacity, financial capacity, credit, and workforce, equipment, and facilities availability.
 11. "Responsive" means conforming in all material respects to the terms and conditions, specifications, legal requirements, and other provisions of the request.
 12. "Proprietary" means goods or services of a specialized nature, that may be made or marketed by a person or persons having the exclusive right to make or sell them, when the need for such goods or services has been certified in writing by the Board to be necessary for the conduct of its affairs.
 13. "Service or services" means the performance of work, or the furnishing of labor, time, or effort, or any combination thereof, not involving or connected to the delivery or ownership of a specified end product or goods or a manufacturing process. Service or services may also include an arrangement in which a vendor compensates the Board for the vendor's right to operate a concession.
- B. Solicitation of Bids
1. Bids will be solicited by advertisements placed by the Business Administrator in strict compliance with N.J.S.A. 18A:18A-21 and Policy No. 6320. Any advertisements placed without the prior approval of the Board will be reported to the Board at its next meeting.
 2. Each specification will offer a clearly stated, common standard of competition and will assert the Board's right to accept reasonable equivalents and to reject all bids in accordance with N.J.S.A. 18A:18A-22 and to readvertise. Each specification will also include the Board's right to disqualify a bidder in accordance with N.J.S.A. 18A:18A-4 et seq. Bid

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specifications will not be proprietary as to exclude bidders without the opportunity to provide equivalent goods and/or services.

3. The Business Administrator will maintain a copy of each bid advertisement and will record the newspaper in which it was advertised and the dates on which it was published.
- C. Bid Requirements
1. Bids must be prepared on forms supplied by the school district and must be fully completed, in ink or typewritten, and signed by the bidder. Oral revisions will not be accepted.
 2. Bid prices must include delivery to the point of use, unpacking when required, and installation when required. As necessary, bidders may be required to provide instruction in the use and care of equipment delivered both by demonstration and in written form.
 3. Bids must include unit prices as well as the total price. In any error in extension, the unit price shall be considered the accurate figure.
 4. Because the school district is exempt from the payment of sales and use taxes, all charges for taxes must be borne by the bidder.
 5. The bid must note in detail any deviations from specifications. When the specifications indicate a product of a particular manufacturer, model, or brand, the bidder shall bid that particular manufacturer, model, or brand or, unless the specifications prohibit substitution, a substitute proven to be of equal or better grade. If a substitute is bid, the bid must include detailed documentation of its equivalency. Bidders may be required to submit samples of materials or products, to be retained by the Board. The Board shall determine the equivalency or acceptability of any substitute.
 6. The manufacturer's written warranties and guarantees must accompany each bid. Bidders should state in writing any additional guarantees that will become a part of the bid and considered in making the award.
 7. The bid shall include a delivery date or the date on which services bid upon will commence.

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8. Where applicable, service facilities and convenience of service will be considered as part of the bid and should be included by the bidder. When necessary, a bidder shall submit evidence of his or her ability to provide proper installation, service, and supplies and/or indicate that the provision of the services and supplies is a regular and continuous part of the bidder's business.
9. Where necessary, the bidder shall certify that all applicable Federal and State laws, municipal ordinances, and Board policies have been obeyed in the manufacture, processing, packaging, delivery, and sale of goods and services to the school district. The bidder must declare compliance with:
 - a. Affirmative action requirements, pursuant to N.J.S.A. 18A:18A-51,
 - b. Stockholders' disclosure statement, pursuant to N.J.S.A. 18A:12-2,
 - c. Non-collusion certification, pursuant to N.J.S.A. 18A:6-8,
 - d. And all other documents so required by law and the bid specification.
10. The bidder must declare that no member of the Board or any officer or employee of the school district is directly or indirectly interested in the contract or purchase bid on.

D. Receipt of Bids

1. Bids will be received at the time and place announced and will be opened by the Business Administrator in accordance with law. All bids will be submitted in sealed envelopes clearly marked with the words "BID OPENING," the date and time of the opening, and the nature of the contract bid on.
2. Each bid will be accompanied by a deposit for bid security, which will be returned to unsuccessful bidders.
3. A written request for the withdrawal of a bid will be granted if the request is received by the Business Administrator before the scheduled time for opening bids.

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4. A bidder who claims, before bids are opened, that a mistake has been made in its preparation will be allowed to withdraw the bid but will lose the right to bid.
 5. A bidder who discovers a mistake or omission after bids have been opened may withdraw the erroneous bid provided the bidder gives immediate written notice of the mistake or omission and certification supported by clear evidence, that he or she exercised reasonable care in the examination of the specifications and preparation of the bid. Any bidder who withdraws an open bid shall forfeit any bid security deposit with the bid.
- E. Award of Contract
1. Bids will be opened by the Business Administrator, in the presence of one or more witnesses, at the time and place advertised.
 2. The Board will award and sign a contract or reject all bids in accordance with N.J.S.A. 18A:18A-36 and within the time as may be specified in the invitation to bid, but in no case more than sixty days, except that the bids of any bidders who consent may, at the request of the Board, be held for consideration for such longer period as may be agreed.
 3. The Board will award the contract to the lowest responsible bidder or will reject all bids. If all bids are rejected, the Board will re-advertise or purchase under a state contract.
 4. The Board reserves the right to reject any bid and may waive technical deficiencies in an otherwise acceptable bid when such waiver is in the public interest.
 5. No contract or order awarded by the Board shall be sublet or assigned without the written consent of the Business Administrator.
 6. The successful bidder, may be required in the bid specifications and upon award of the contract to furnish a surety or performance bond issued by a responsible surety company authorized to transact business in New Jersey, for 100% of the total contract price, insuring faithful performance of the contract. The bond pursuant to N.J.S.A. 18A:18A-23 and 24, shall be payable to the Board and the cost of the bond is to be included in the bid.

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7. The bidder's failure to perform his or her contract with the Board in accordance with the bid accepted by the Board or failure to meet performance bond requirements may result in forfeiture of the bidder's deposit as liquidated damages and not as a penalty.
 8. Every bidder is assumed to be acquainted with all the information necessary for the submission of an informed and responsible bid. A successful bidder will be responsible for any errors in his or her proposal resulting from the bidder's failure or neglect to obtain information and forecast costs. The Board will not be responsible for any change in anticipated profits resulting from such failure or neglect.
 9. When a contractor fails to perform the terms of the contract promptly, the Board shall give written notice of default. If the contractor fails to cure the default within the time permitted by the notice, the Board may terminate the contract and, at the expense of the contractor or the surety, complete the contract or cause the contract to be completed.
- F. Bidder Disqualification
1. The Board may, by resolution approved by a majority of the Board, and pursuant to N.J.S.A. 18A:18A-4 disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the Board finds that it has had prior negative experience with the bidder.
 - a. As used in this section, "prior negative experience" means any of the following:
 - (1) The bidder has been found, through either court adjudication, arbitration, mediation, or other contractually stipulated alternate dispute resolution mechanism, to have: failed to provide or perform goods or services; or failed to complete the contract in a timely manner; or otherwise performed unsatisfactorily under a prior contract with the Board;
 - (2) The bidder defaulted on a contract, thereby requiring the Board to utilize the services of another contractor to provide the goods or perform the services or to correct or complete the contract;

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- (3) The bidder defaulted on a contract, thereby requiring the Board to look to the bidder's surety for completion of the contract or tender of the costs of completion; or
 - (4) The bidder is debarred or suspended from contracting with any of the agencies or departments of the executive branch of the State of New Jersey at the time of the contract award, whether or not the action was based on experience with the Board.
- b. The following conditions apply if the Board is contemplating a disqualification based on prior negative experience:
 - (1) The existence of any of the indicators of prior negative experience set forth in this section shall not require that a bidder be disqualified. In each instance, the decision to disqualify shall be made within the discretion of the Board and shall be rendered in the best interests of the Board.
 - (2) All mitigating factors shall be considered in determining the seriousness of the prior negative experience and in deciding whether disqualification is warranted.
 - (3) The bidder shall be furnished by the Board with a written notice
 - (a) Stating that a disqualification is being considered;
 - (b) Setting forth the reason for the disqualification; and
 - (c) Indicating that the bidder shall be accorded an opportunity for a hearing before the Board if the bidder so requests within a stated period of time. At the hearing, the bidder shall show good cause why the bidder should not be disqualified by presenting documents and testimony. If the Board determines that good cause has not been shown by the bidder, it may vote to find the bidder lacking in responsibility and, thus, disqualified.
 - (4) Disqualification shall be for a reasonable, defined period of time which shall not exceed five years.

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- (5) A disqualification, other than a disqualification pursuant to which a Board is prohibited by law from entering into a contract with a bidder, may be voided or the period thereof may be reduced, in the discretion of the Board, upon the submission of a good faith application under oath, supported by documentary evidence, setting forth substantial and appropriate grounds for the granting of relief, such as reversal of a judgment, or actual change of ownership, management or control of the bidder.
- (6) An opportunity for a hearing need not be offered to a bidder whose disqualification is based on its suspension or debarment by an agency or department of the executive branch of the State of New Jersey. The term of such a disqualification shall be concurrent with the term of the suspension or debarment by the State agency or department.

Adopted: 20 May 1997

Revised: 3 May 2005

6340 MULTIPLE YEAR CONTRACTS

The Board of Education will enter a multiple year contract for goods and services permitted by law whenever the extended contract will serve the needs of the district and yield greater return for the expenditure.

The School Business Administrator/Board Secretary is directed to investigate the advantage to the district of multiple year contracts. Investigation should include, but need not be limited to, a comparison of the costs of multiple year and single year contracts, an analysis of trends in the costs and availability of the goods or services to be provided, the projected needs of the district, and an inquiry into the reliability and stability of the vendor.

Except for those contracts exempted from the requirement by law, all multiple year contracts will contain a cancellation clause or a clause conditioning annual extension of the contract on the appropriation of sufficient funds to meet the Board's obligation.

All multiple year contracts must be approved by the Board. When the estimated annual cost of a multiple year contract exceeds the bid threshold established by law and the subject of the contract is not exempt from bidding, the contract shall be advertised in accordance with law and the bidding procedures of this district.

N.J.S.A. 18A:18A-42

Adopted: 20 May 1997

Revised: 3 May 2005

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R 6340 MULTIPLE YEAR CONTRACTS

- A. All contracts for the provision or performance of goods or services will be awarded for a period not to exceed twenty-four consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 shall be awarded for a period not to exceed twelve consecutive months.
- B. The Board may award a contract for longer periods of time as follows:
 1. Supplying of:
 - a. Fuel for heating purposes, for any term not exceeding in the aggregate, three years;
 - b. Fuel or oil for use of automobiles, autobuses, motor vehicles or equipment, for any term not exceeding in the aggregate, three years;
 - c. Thermal energy produced by a cogeneration facility, for use for heating or air conditioning or both, for any term not exceeding forty years, when the contract is approved by the Board of Public Utilities. For the purposes of this paragraph, "cogeneration" means the simultaneous production in one facility of electric power and other forms of useful energy such as heating or process steam; or
 2. Plowing and removal of snow and ice, for any term not exceeding in the aggregate, three years; or
 3. Collection and disposal of garbage and refuse, for any term not exceeding in the aggregate, three years; or
 4. Data processing service, for any term of not more than seven years; or
 5. Insurance, including the purchase of insurance coverages, insurance consultant or administrative services, and including participation in a joint self-insurance fund, risk management program or related services provided by a school Board insurance group, or participation in an insurance fund established by a county pursuant to N.J.S.A. 40A:10-6, or a

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joint insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.), for any term of not more than three years; or

6. Leasing or servicing of automobiles, motor vehicles, electronic communications equipment, machinery and equipment of every nature and kind and textbooks and non-consumable instructional materials, for any term not exceeding in the aggregate, five years; provided, however, such contracts shall be awarded only subject to and in accordance with rules and regulations promulgated by the State Board of Education; or
7. Supplying of any product or the rendering of any service by a company providing voice, data, transmission or switching services, for a term not exceeding five years; or
8. Driver education instruction conducted by private, licensed driver education schools, for any term not exceeding in the aggregate, three years;
9. Provision or performance of goods or services for the purpose of conserving energy in the buildings owned by any local Board of education, the entire price of which shall be established as a percentage of the resultant savings in energy costs, for a term not to exceed fifteen years; except that these contracts shall be entered into only subject to and in accordance with guidelines promulgated by the Board of Public Utilities establishing a methodology for computing energy costs;
10. Any single project for the construction, reconstruction or rehabilitation of any public building, structure or facility, or any public works project, including the retention of the services of any architect or engineer in connection therewith, for the length of time authorized and necessary for the completion of the actual construction;
11. Laundry service and the rental, supply and cleaning of uniforms for any term of not more than three years;
12. Food supplies and food services for any term of not more than three years;
13. Purchases made under a contract awarded by the Director of the Division of Purchase and Property in the Department of the Treasury for use by counties, municipalities or other contracting units pursuant to section 3 of P.L.1969, c.104 (C.52:25-16.1), for a term not to exceed the term of that contract.

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- C. Any contract for services other than professional services, the statutory length of which contract is for three years or less, may include provisions for no more than one two-year, or two one-year, extensions, subject to the following limitations:
1. The contract must be awarded by resolution of the Board upon a finding by the Board that the services are being performed in an effective and efficient manner;
 2. No such contract shall be extended so that it runs for more than a total of five consecutive years;
 3. Any price change included as part of an extension shall be based upon the price of the original contract as cumulatively adjusted pursuant to any previous adjustment or extension and shall not exceed the change in the index rate for the twelve months preceding the most recent quarterly calculation available at the time the contract is renewed; and d. the terms and conditions of the contract remain substantially the same.
- D. All multiyear leases and contracts entered into pursuant to N.J.S.A. 18A:18A-42, including any two-year or one-year extensions, except contracts for insurance coverages, insurance consultant or administrative services, participation or membership in a joint self-insurance fund, risk management programs or related services of a school Board insurance group, participation in an insurance fund established by a county pursuant to N.J.S.A. 40A:10-6 or contracts for thermal energy authorized pursuant to subsection a. above, and contracts for the provision or performance of goods or services to promote energy conservation authorized pursuant to B.9. of this regulation shall contain a clause making them subject to the availability and appropriation annually of sufficient funds as may be required to meet the extended obligation, or contain an annual cancellation clause.
- E. All contracts shall cease to have effect at the end of the contracted period and shall not be extended by any mechanism or provision, unless in conformance with the "Public School Contracts Law," N.J.S.A. 18A:18A-1 et seq., except that a contract may be extended by mutual agreement of the parties to the contract when a Board of education has commenced rebidding prior to the time the contract expires or when the awarding of a contract is pending at the time the contract expires.

Adopted: 20 May 1997

Revised: 3 May 2005

6360 POLITICAL CONTRIBUTIONS

Political Contribution Disclosure Requirements

In accordance with the requirements of Section 2 of P.L. 2005, Chapter 271 (N.J.S.A. 19:44A-20.26), the Board of Education shall have on file, to be maintained with other documents related to a contract, the following documents to award a contract to any business entity receiving a contract with an anticipated value in excess of \$17,500, regardless of the basis upon which the contract is awarded:

1. A Political Contribution Disclosure (PCD) form submitted by the business entity (at least ten days prior to award); and
2. A Business Registration Certificate (anytime prior to award).

“Business entity” means a natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other State or foreign jurisdiction.

The \$17,500 contract amount is not related to the Board’s bid threshold and does not exempt the district from the requirements of the Public School Contracts Law or other applicable purchasing statutes.

The \$17,500 contract amount threshold is subject to the principle of aggregation rules in accordance with the Division of Local Government Services guidance. Unlike the Public School Contracts Law, aggregation thresholds for this Policy and Chapter 271 purposes shall be calculated at the vendor level – meaning, when a vendor receives more than \$17,500 in a school district’s fiscal year, a PCD form shall be required.

The disclosure provisions of N.J.S.A. 19:44A-20.26 do not apply in cases where there is a “public emergency” that requires the immediate delivery of goods or services.

Insurance companies and banks are prohibited under State law from making political contributions. However, because the PCD form reflects contributions made by partners, Boards of Directors, spouses, etc., PCD forms are required ten days prior to the approval of a depository designation resolution or insurance company contract awarded by the Board. A PCD form is also required when a contract in excess of \$17,500 is made to an

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insurance broker. A PCD form is required from the company receiving the contract, regardless of the entity issuing an insurance policy.

PCD forms are required for Board of Education contracts in excess of \$17,500 with a New Jersey Department of Education “Approved In-State Private School for the Disabled.” Chapter 271 also applies to in-State private special education schools, supplemental educational services under NCLB, early childhood school providers – DHS approved, and other similar programs.

If the school district spends more than \$17,500 in a school year with a newspaper, the selection of the newspaper is subject to the provisions of Chapter 271.

PCD forms are not required for regulated public utility services, as the Board is required by the Board of Public Utilities to use a specific utility. This exception does not apply to non-regulated public utility services, such as generated energy (not tariffed), or long-distance telephone services where other procurement practices are used.

PCD forms are not required for membership to the New Jersey School Boards Association.

A non-profit organization having proper documentation from the Internal Revenue Service (IRS) showing it is registered with the IRS as a 501(c) type corporation is not required to file a PCD form.

A PCD form is not required for contracts with governmental agencies, including State colleges and universities.

If the original contract provided for the possibility of an extension(s), Chapter 271 compliance is not required if the extension/continuation is based on that original contract.

N.J.S.A. 19:44A-1 et seq.

N.J.A.C. 6A:23A-6.3

New Jersey Department of Community Affairs Local Finance Notices - 6/4/07 & 1/15/10

Adopted: 21 October 2008

Revised: 24 August 2010

Revised: 22 May 2012

6362 CONTRIBUTIONS TO BOARD MEMBERS AND CONTRACT AWARDS

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As a condition of receiving State aid, the school district shall comply with the provisions of N.J.A.C. 6A:23A-6.3 to ensure the school district maintains honest and ethical relations with vendors and shall guard against favoritism, improvidence, extravagance, and corruption in its contracting processes and practices.

For the purposes of this Policy, “business” means any corporation, partnership, firm, enterprise, franchise, trust, association, sole proprietorship, union, political organization, or other legal entity but shall not include a local public school district or any other public entity. “Business entity” means any natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of this State or of any other State or foreign jurisdiction. “Interest” means the ownership or control of more than ten percent of the profits or assets of a business entity or ten percent of the stock in the case of a business entity that is a corporation for profit, as appropriate.

In accordance with the provisions of N.J.A.C. 6A:23A-6.3:

1. No Board of Education will vote upon or award any contract in the amount of \$17,500 or greater to any business entity which has made a contribution reportable by the recipient under P.L. 1973, c. 83 (N.J.S.A. 19:44A-1 et seq.) to a member of the Board of Education during the preceding one-year period.
2. Contributions reportable by the recipient under P.L. 1973, c. 83 (N.J.S.A. 19:44A-1 et seq.) to any member of the Board of Education from any business entity doing business with the school district are prohibited during the term of a contract.
3. When a business entity referred to in 2. above is a natural person, a contribution by that person’s spouse or child that resides therewith shall be deemed to be a contribution by the business entity. Where a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity.

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4. The disclosure requirement set forth in section 2 of P.L. 2005, c. 271 (N.J.S.A. 19:44A-20.26) also shall apply when the contract is required by law to be publicly advertised for bids.

A Business Entity Disclosure Certification (BED-C) shall be submitted by the business entity for all contracts of \$17,500 or greater in order to facilitate disclosure of contributions to Board members by a business entity. The BED-C shall be reviewed prior to the award of any contract in excess of \$17,500 to ensure the Board of Education's compliance with N.J.A.C. 6A:23A-6.3(a).

The requirements of N.J.A.C. 6A:23A-6.3 shall not apply to a contract when a district emergency requires the immediate delivery of goods or services. With the exception of districts previously subject to the requirements of N.J.A.C. 6A:10-2.1(e), N.J.A.C. 6A:23A-6.3 shall not apply to contributions made prior to its effective date.

N.J.A.C. 6A:23A-6.3

Adopted: 21 October 2008

Revised: 22 May 2012

6421 PURCHASES BUDGETED

The Board of Education directs the establishment of procedures for the purchase of budgeted goods and services that will make prudent use of district resources and yield the maximum value for the school district. The Business Administrator shall authorize all purchases that are within a budget line item and are consistent with the purpose for which the funds were appropriated

No purchase order may be placed until the Business Administrator has determined whether the proposed purchase is subject to bid, whether sufficient funds exist in the line item, and whether the goods are available elsewhere in the district.

Whenever the estimated value of a purchase or contract for goods or services other than professional services N.J.S.A. 18A:18A-5(1) and work by employees of the Board N.J.S.A. 18A:18A-5(3) is fifteen percent or more of the bid threshold established in accordance with N.J.S.A. 18A:18A-3 and N.J.S.A. 18A:18A-37 and is not made under a state contract, the purchasing agent shall, whenever practicable, solicit at least two quotations from independent vendors. All quotations received will be attached to and retained with a copy of the voucher used to pay the vendor.

All contracts that are in the aggregate less than fifteen percent of the bid threshold may be awarded by the Business Administrator without soliciting competitive quotations.

The purchase or contract may be awarded on the basis of the lowest responsible quotation received or to the vendor who submits the quotation most advantageous to the Board on the basis of price and other factors. If it is determined that it is impractical to seek quotations for an extraordinary, unspecifiable service or that the purchase or contract for which quotations were sought should not be awarded on the basis of the lowest quotation received, the reasons for that determination will be set forth in writing and attached to the resulting purchase order or contract.

Supplies commonly used in the various schools will be standardized to the extent that it is educationally feasible to do so. Alternate suggestions will be made to a requisitioner if better service, delivery, economy, or utility can be achieved by a change in the proposed order.

When a purchase order is placed or a contract entered, the Business Administrator shall commit the expenditure against a specific budget line item or project category in order to guard against the creation of liabilities in excess of appropriations.

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N.J.S.A. 18A:18A-1 et seq.; 18A:18A-37; 18A:22-8
N.J.A.C. 6:20-8.1 5:34-2.1; 5:34-2.2

Adopted: 20 May 1997
Revised: 23 February 2004 (citation only)
Revised: 3 May 2005

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R 6421 PURCHASES BUDGETED

A. Definitions

1. "Purchasing agent" means the School Business Administrator/Board Secretary or the Business Manager of the Board of Education duly assigned the authority, responsibility and accountability for the purchasing activity of the Board and having the power to prepare advertisements, to advertise for and receive bids and to award contracts as permitted by this chapter, but if there be no School Business Administrator/Board Secretary or Business Manager, such officer, committees or employees to whom such power has been delegated by the Board.
2. "Extraordinary unspecifiable services" means services which are specialized and qualitative in nature requiring expertise, extensive training and proven reputation in the field of endeavor.
3. "Professional services" means services rendered or performed by a person authorized by law to practice a recognized profession and whose practice is regulated by law and the performance of which services requires knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship and training. Professional services may also mean services rendered in the provision or performance of goods or services that are original and creative in character in a recognized field of artistic endeavor.
4. "Aggregate" means the sums expended or to be expended for the provision or performance of any goods or services in connection with the same immediate purpose or task, or the furnishing of similar goods or services, during the same contract year through a contract awarded by a purchasing agent.
5. "Bid threshold" means the dollar amount set in N.J.S.A. 18A:18A-3, above which a Board shall advertise for and receive sealed bids in accordance with procedures set forth in N.J.S.A. 18A:18A-1 et seq.
6. "Contract year" means the period of twelve consecutive months following the award of a contract.
7. "Competitive contracting" means the method described in sections 45 through 49 of P.L.1999, c.440 (C.18A:18A-4.1 through C.18A:18A-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal

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proposals are evaluated by the purchasing agent or counsel or School Business Administrator; and the Board awards a contract to a vendor or vendors from among the formal proposals received.

8. "Goods and services" or "goods or services" means any work, labor, commodities, equipment, materials, or supplies of any tangible or intangible nature, except real property or any interest therein, provided or performed through a contract awarded by a purchasing agent, including goods and property subject to N.J.S.A. 12A:2-101 et seq.
9. "Library and educational goods and services" means textbooks, copyrighted materials, student produced publications and services incidental thereto, including but not limited to books, periodicals, newspapers, documents, pamphlets, photographs, reproductions, microfilms, pictorial or graphic works, musical scores, maps, charts, globes, sound recordings, slides, films, filmstrips, video and magnetic tapes, other printed or published matter and audiovisual and other materials of a similar nature, necessary binding or rebinding of library materials, and specialized computer software used as a supplement or in lieu of textbooks or reference material.
10. "Lowest price" means the least possible amount that meets all requirements of the request of a purchasing agent.
11. "Lowest responsible bidder or vendor" means the bidder or vendor: (1) whose response to a request for bids offers the lowest price and is responsive; and (2) who is responsible.
12. "Official newspaper" means any newspaper designated by the Board pursuant to R.S.35:1-1 et seq.
13. "Purchase order" means a document issued by the purchasing agent authorizing a purchase transaction with a vendor to provide or perform goods or services to the Board, which, when fulfilled in accordance with the terms and conditions of a request of a purchasing agent and other provisions and procedures that may be established by the Board, will result in payment by the Board.
14. "Quotation" means the response to a formal or informal request made by a purchasing agent to a vendor for provision or performance of goods or services, when the aggregate cost is less than the bid threshold. Quotations may be in writing, or taken verbally if a record is kept by the purchasing agent.
15. "Responsible" means able to complete the contract in accordance with its requirements, including but not limited to requirements pertaining to experience, moral integrity, operating capacity, financial capacity, credit, and workforce, equipment, and facilities availability.

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16. "Responsive" means conforming in all material respects to the terms and conditions, specifications, legal requirements, and other provisions of the request.
 17. "Concession" means the granting of a license or right to act for or on behalf of the Board, or to provide a service requiring the approval or endorsement of the Board, and which may or may not involve a payment or exchange, or provision of services by or to the Board, provided that the term concession shall not include vending machines.
 18. "Proprietary" means goods or services of a specialized nature, that may be made or marketed by a person or persons having the exclusive right to make or sell them, when the need for such goods or services has been certified in writing by the Board to be necessary for the conduct of its affairs.
 19. "Service or services" means the performance of work, or the furnishing of labor, time, or effort, or any combination thereof, not involving or connected to the delivery or ownership of a specified end product or goods or a manufacturing process. Service or services may also include an arrangement in which a vendor compensates the Board for the vendor's right to operate a concession.
- B. All purchasing for the school district will be conducted under the authority of the purchasing agent as defined in N.J.S.A. 18A:18A-2.b. and as designated by the Board.
- C. Any contract, the amount of which exceeds the bid threshold, shall be negotiated and awarded by the Board by resolution at a public meeting without public advertising for bids and bidding therefore if the subject matter thereof consists of:
1. Professional services. The Board will in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in an official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the Board;
 2. Extraordinary unspecifiable services which cannot reasonably be described by written specifications. The Board will in each instance state supporting reasons for its action in the resolution awarding the contract for extraordinary unspecifiable services and shall forthwith cause to be printed, in the manner set forth in C.1. above a brief notice of the award of such contract;
 3. The doing of any work by employees of the Board;

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4. The printing of all legal notices; and legal briefs, records and appendices to be used in any legal proceeding in which the Board may be a party;
5. Library and educational goods and services;
6. Food supplies, including food supplies for home economics classes, when purchased pursuant to rules and regulations of the State Board and in accordance with the provisions of N.J.S.A. 18A:18A-6;
7. The supplying of any product or the rendering of any service by a public utility, which is subject to the jurisdiction of the Board of Public Utilities, in accordance with the tariffs and schedules of charges made, charged and exacted, filed with said Board;
8. The printing of bonds and documents necessary to the issuance and sale thereof by a Board;
9. Equipment repair service if in the nature of an extraordinary unspecifiable service and necessary parts furnished in connection with such services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;
10. Insurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;
11. Publishing of legal notices in newspapers as required by law;
12. The acquisition of artifacts or other items of unique intrinsic, artistic or historic character;
13. Those goods and services necessary or required to prepare and conduct an election;
14. The doing of any work by persons with disabilities employed by a sheltered workshop;
15. Expenses for travel and conferences;
16. The provision or performance of goods or services for the support or maintenance of proprietary computer hardware and software, except that this provision shall not be utilized to acquire or upgrade non-proprietary hardware or acquire or update non-proprietary software;
17. Purchases of goods and services at rates set by the Universal Service Fund administered by the Federal Communications Commission;

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18. Goods and services paid with funds that: are raised by or collected from students to support the purchase of student oriented items or materials, such as yearbooks, class rings, and a class gift; and are deposited in school or student activity accounts; and require no budget appropriation from the Board;
 19. Food services provided by food service management companies pursuant to procedures established by the New Jersey Department of Agriculture, Bureau of Child Nutrition Programs;
 20. Vending machines providing food or drink.
- D. Any contract, the amount of which exceeds the bid threshold, shall be negotiated and awarded by the Board by resolution at a public meeting without public advertising for bids and bidding therefor
1. If the contract is to be made or entered into with the United States of America, the State of New Jersey, county or municipality or any Board, body, officer, agency, authority or Board or any other State or subdivision thereof.
 2. Bids have been advertised pursuant to N.J.S.A. 18A:18A-4 on two occasions and
 - a. No bids have been received on both occasions in response to the advertisement, or
 - b. The Board has rejected such bids on two occasions because it has determined that they are not reasonable as to price, on the basis of cost estimates prepared for or by the prior to the advertising therefore, or have not been independently arrived at in open competition, or
 - c. On one occasion no bids were received pursuant to a. above and on one occasion all bids were rejected pursuant to b. above, in whatever sequence; any such contract may then be negotiated and may be awarded upon adoption of a resolution by a two-thirds affirmative vote of the authorized membership of the Board authorizing such a contract; provided, however, that:
 - (1) A reasonable effort is first made by the Board to determine that the same or equivalent goods or services, at a cost which is lower than the negotiated price, are not available from an agency or authority of the United States, the State of New Jersey or of the county in which the Board is located, or any municipality in close proximity to the Board;

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- (2) The terms, conditions, restrictions and specifications set forth in the negotiated contract are not substantially different from those which were the subject of competitive bidding pursuant to N.J.S.A. 18A:18A-4; and
 - (3) Any minor amendment or modification of any of the terms, conditions, restrictions and specifications which were the subject of competitive bidding pursuant to N.J.S.A. 18A:18A-4 shall be stated in the resolution awarding the contract; provided further, however, that if on the second occasion the bids received are rejected as unreasonable as to price, the Board will notify each responsible bidder submitting bids on the second occasion of its intention to negotiate, and afford each bidder a reasonable opportunity to negotiate, but the Board shall not award such contract unless the negotiated price is lower than the lowest rejected bid price submitted on the second occasion by a responsible bidder, is the lowest negotiated price offered by any responsible vendor, and is a reasonable price for such goods or services.
3. Whenever the Board determines that a bid was not arrived at independently in open competition pursuant to subsection c.(2) of N.J.S.A. 18A:18A-5, it shall thereupon notify the county prosecutor of the county in which the Board is located and the Attorney General of the facts upon which its determination is based, and when appropriate, it may institute appropriate proceedings in any State or federal court of competent jurisdiction for a violation of any State or federal antitrust law or laws relating to the unlawful restraint of trade.
 4. The Board has solicited and received at least three quotations on materials, supplies or equipment for which a State contract has been issued pursuant to N.J.S.A. 18A:18A-10, and the lowest responsible quotation is at least 10% less than the price the Board would be charged for the identical materials, supplies or equipment, in the same quantities, under the State contract. Any such contract will be entered into in accordance with N.J.S.A. 18A:18A:-5.e. and may be made, negotiated or awarded only upon adoption of a resolution by the affirmative vote of two-thirds of the full membership of the Board at a meeting thereof authorizing such a contract or agreement.

E. Quotations

1. For all contracts that in the aggregate are less than the bid threshold but fifteen percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection a. of N.J.S.A. 18A:18A-5, except for paragraph (1) of that subsection concerning professional services and paragraph (3) of that subsection concerning work by employees of the Board, the purchasing agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The

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purchasing agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.

2. When in excess of the bid threshold, and after documented effort by the purchasing agent to secure competitive quotations, a contract for extraordinary unspecifiable services may be awarded when the purchasing agent has determined in writing that solicitation of competitive quotations is impracticable. Any such contract shall be awarded by resolution of the Board.
3. Whenever two or more responses to a request of a purchasing agent offer equal prices and are the lowest responsible bids or proposals, the Board may award the contract to the vendor whose response, in the discretion of the Board, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous.

F. Requisitions

1. A requisition for goods and/or services may be originated by any school district employee who perceives a need for such goods and/or services.
2. The requisitioner will prepare and sign a three-part requisition form, filling in the following information:
 - a. Description and quantity of item or service desired;
 - b. Unit price and total amount (actual or estimated) of proposed purchase;
 - c. Desired brand or vendor;
 - d. The building, program, subject, or class in which the goods or service will be used;
 - e. The name and title of the requisitioner; and
 - f. The date on which the requisition is filed.
3. Requisitions for lost or stolen equipment must be accompanied by an explanatory report.
4. The requisitioner will retain a copy of the requisition form. two (2)copies of the requisition form will be filed with the Principal or the appropriate supervisor for consideration.
5. The Principal or immediate supervisor will determine:

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- a. The need for the requisitioned goods or services;
 - b. Whether the desired goods or services are presently available elsewhere in the district or are available without cost from another source;
 - c. The appropriateness of the proposed expenditure;
 - d. Whether the requisition can be combined with others for greater efficiency and economy;
 - e. Whether the originator's needs can be better met by an alternate purchase; and
 - f. Whether uncommitted funds remain in the budget allocations to the school or program, sufficient to cover the proposed expenditure.
6. A requisition not approved by the Principal or immediate supervisor will be returned to the requisitioner with the reason for its rejection.
 7. When approval is given, the Principal or immediate supervisor will sign and date the requisition, indicate the account to be charged, retain the duplicate copy, and file the original with the Business Administrator, for approval.
 8. A requisition that originates with a Principal, immediate supervisor, or central office administrator must be approved by the Business Administrator and Superintendent.
 9. If the Business Administrator and/or Superintendent denies approval of a requisition approved or originated by a Principal, immediate supervisor, or central office administrator, he or she will so notify the approver or originator with the reason for the denial.

G. Purchase Orders

1. Before a purchase order is prepared for an approved requisition, the Business Administrator shall determine whether:
 - a. The proposed purchase is exempt from bid in accordance with N.J.S.A. 18A:18A-5;
 - b. If appropriate, vendors' quotations have been solicited in accordance with F above; or
 - c. The requisition can be processed without resort to advertisement for bid or solicitation of quotations; or

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- d. The proposed purchase is in excess of the bid threshold and may be Competitively Contracted in accordance with N.J.S.A. 18A:18A-4.5.
2. A requisition that is not exempt from bid shall be submitted to the Business Administrator for advertisement.
3. Approved requisitions must be authorized as follows:
 - a. If within the budget and not subject to bid, authorized by the Business Administrator and Superintendent;
 - b. If within the budget and subject to bid, authorized by a Board resolution awarding a contract after bid;
 - c. If not in the budget or in excess of the line item allocation, authorized by the Board or, as permitted by Policy No. 6422 between Board meetings, by the Business Administrator and Superintendent.
4. To prepare a purchase order, the Business Administrator shall:
 - a. Verify and enter the account to which the purchase will be assigned;
 - b. Assign a purchase order number to the expenditure;
 - c. Verify and enter the name and address of the vendor;
 - d. Verify and enter the description of the goods and/or services, including, as appropriate, the quality standards of the goods sought;
 - e. Verify as necessary, by telephone call to the vendor or by reference to a catalog, and enter the unit cost of the goods and/or services;
 - f. Extend and total costs;
 - g. Check that the requisition has been properly approved and authorized; and
 - h. Determine and enter the desired delivery date and any necessary delivery instructions.
5. Each purchase order will be completed in full and forwarded to the Business Administrator and Superintendent for approval and signature.

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6. The Business Administrator shall encumber the appropriate account in the amount of the purchase order.
7. Copies of the purchase order will be distributed as follows:
 - a. white copy, to the vendor;
 - b. green copy, to the vendor to be signed as a voucher and returned with invoice;
 - c. yellow copy, to which the requisition and any quotations received or a copy of the Board resolution awarding bid, as appropriate, are attached, retained by business office and filed alphabetically by vendor;
 - d. goldenrod copy, to the Principal, supervisor, or central office administrator who approved or originated the requisition, to be returned to the business office when the goods and/or services have been received, checked, and approved as satisfactory;
 - e. blue copy, retained in the business office and filed numerically by purchase order number.
8. A purchase order may be issued to confirm an oral order given to a vendor under bona fide emergency circumstances, pursuant to Policy No. 6422. A confirmation order will be so designated.
9. Open purchase orders may be written for vendors who regularly provide the school district with certain goods and/or services. Any open purchase order may be exempt from the requirement for bidding, must specify a "not to exceed" amount, and must be closely monitored to determine that the aggregate amount of goods and/or services does not exceed the bid threshold in any twelve month period.

H. Payment

Purchases will be paid in accordance with Policy No. 6470 and Regulation No. 6470.

Adopted: 20 May 1997

Revised: 3 May 2005

6422 BUDGET TRANSFERS

Except as otherwise provided pursuant to N.J.S.A. 18A:22-8.1 and N.J.A.C. 6A:23A-13.1 et seq., whenever the a school district desires to transfer amounts among line items and program categories, the transfers shall be by resolution of the Board approved by a two-thirds affirmative vote of the authorized membership of the Board. Each resolution shall indicate the exact amount of the transfers and from the applicable accounts or fund balance.

However, this Board of Education in accordance with the provisions of N.J.S.A 18A:22-8.1 and this Policy as adopted by the Board, designates the Superintendent of Schools to approve such transfers as are necessary between meetings of the Board. Transfers approved by the Superintendent shall be reported to the Board, ratified and duly recorded in the minutes at a subsequent meeting of the Board, but not less than monthly.

Transfers from line accounts that include waiver amounts approved by the Commissioner and expenditures and/or reallocations directed by the Commissioner are prohibited unless approved in writing by the Executive County Superintendent and in accordance with the provisions of N.J.S.A. 18A:22-8.1. The Board shall submit written requests for transfers including the amount to be transferred, the account(s) to be reduced, the account(s) to be increased, the purpose, and justification. These transfers shall not be requested or made prior to December 1 of the applicable budget year and shall only be approved for an emergent circumstance(s).

Where actual audited undesignated general fund balance at the fiscal year-end exceeds the estimated amount reflected in the school district's originally approved budget that contained an adjustment to the tax levy limitation approved by the Commissioner, any excess amount shall be reserved for the offset of the Commissioner's waiver requests, if any, in the second subsequent year's budget and reflected as such in the CAFR for the budget year.

Whenever the Executive County Superintendent shall, pursuant to N.J.S.A. 18A:7-8, disapprove a portion of the school district's proposed budget because the district has not implemented all potential efficiencies in its administrative operations or because the budget includes excessive non-instructional expenses, the school district shall not transfer funds back into those accounts during the budget year.

Transfers of surplus amounts or any other unbudgeted or underbudgeted revenue to line items and program categories shall require the approval of the Commissioner of

Education and shall only be approved between April 1 and June 30 for line items and program categories necessary to achieve the thoroughness standards established pursuant to section 4 of P.L.2007, C.260(N.J.S.A. 18a:7F-46); except that upon a two-thirds affirmative vote of the authorized membership of the Board, the Board may petition the Commissioner of Education for authority to transfer such revenue prior to April 1 due to an emergent circumstance and the Commissioner may authorize the transfer if he determines that the transfer is necessary to meet such emergency.

Transfers from any general fund appropriation account that, on a cumulative basis, exceed 10% of the amount of the account included in the school district's budget as certified for taxes shall require the approval of the Commissioner of Education. In a school district wherein the Commissioner of Education has directed an in-depth evaluation pursuant to N.J.S.A. 18A:7A-14, the Board shall obtain the written approval of the Executive County Superintendent of Schools prior to implementing any Board authorized transfer of funds.

No transfer may be made under N.J.S.A 18A:22-8.1 from appropriations or surplus accounts for interest and debt redemption charges, capital reserve account or items classified as general fund expenses except to other items so classified, or to the capital projects fund to supplement the proceeds from a bond authorization or lease purchase agreement upon application to and a formal finding by the Commissioner that the transfer is in the best interest of both the pupils and taxpayers of the district after consideration of alternative corrective actions.

N.J.S.A. 18A:22-8.1; 18A:22-8.2
N.J.S.C. 6A:23A-13.1; 6A:23A-13.2; 6A:23A-13.3

Cross reference: Policy Guide Nos. 6220, 6820

Adopted: 20 May 1997
Revised: 18 November 2003
Revised: 21 October 2008
Revised: 24 August 2010

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R 6422 BUDGET TRANSFERS

- A. Transfer of Surplus or Other Unbudgeted or Underbudgeted Revenue Between April 1 and June 30
1. The Board may transfer surplus or other unbudgeted or underbudgeted revenue between April 1 and June 30 only upon prior approval of the transfer by the Executive County Superintendent, as the Commissioner's designee, pursuant to N.J.S.A. 18A:22-8.1.
 2. Requests must be received by June 30.
 3. All approved transfer requests must be expended or encumbered for the approved use by June 30, or the district shall reserve and designate such funds for tax relief in the subsequent budget year.
 4. To request approval of such transfers, the district shall submit to the Executive County Superintendent the following:
 - a. Documentation of approval of the transfer by a two-thirds affirmative vote of the authorized membership of the Board;
 - b. Certification by that same membership of the Board that the transfer is necessary to achieve the thoroughness standards for the current year. The certification shall include the purpose, need of transfer, and include, at a minimum, a list of specific line items to be transferred into and corresponding amounts. Requests to appropriate surplus for textbooks, computers, equipment, or other needs for use and operation for the subsequent school year is not considered a need for the current year and shall not be approved; and
 - c. The latest Board Secretary's report as documentation that no other line item balances are available and all appropriation balances are or will be expended or encumbered.
- B. Transfer of Surplus or Other Unbudgeted or Underbudgeted Revenue Prior to April 1

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1. Prior to April 1, the a Board may petition the Commissioner, by a two-thirds affirmative vote of the authorized membership of the Board, for approval of a transfer of surplus or other unbudgeted or underbudgeted revenue only for an emergent circumstance.
 2. The district shall be subject to an on-site inspection by the Executive County Superintendent for verification of the emergent circumstance and other supporting documentation.
 3. The district shall submit such Board approved petition to the Executive County Superintendent for recommendation to the Commissioner. At a minimum, the submission shall include the following:
 - a. Certification the transfer is necessary for an emergent circumstance, that no other line item balances are or will be available, and that the remaining surplus will enable the district to operate in a fiscally solvent position for the remainder of the budget year;
 - b. Documentation the emergent circumstance, if not addressed through an appropriation of additional revenue, would render peril to the health and safety of pupils or staff, and/or force the district into an operating deficit as a result of the required implementation of the thoroughness standards;
 - c. The latest Board Secretary's report as documentation that no other line item balances are or will be available as set forth **in (1)** below:
 - (1) Any unexpended, unencumbered balances are for non-discretionary fixed costs and supported by historical expenditures or other documentation ensuring that the balances will be expended by June 30.
 - d. Evidence of approval of the petition and supporting documentation by a two-thirds affirmative vote of the authorized membership of the Board.
- C. Appropriations at Any Time Without Commissioner Approval
1. The Board may at any time and without Commissioner approval:

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- a. Appropriate unbudgeted or underbudgeted State aid for which the approval was granted by the Department of Education in the written notification to the Board of the additional aid;
- b. Appropriate unbudgeted and underbudgeted tuition revenue generated from a school district-specific program, which is not part of a formal sending-receiving relationship pursuant to N.J.S.A. 18A:38-19 and 18A:46-21;
- c. Appropriate unbudgeted or underbudgeted school transportation revenue generated from a school district's or Coordinated Transportation Services Agency's role as the host provider of school transportation services pursuant to N.J.S.A. 18A:39-11 and 18A:39-11.1;
- d. Appropriate unbudgeted or underbudgeted restricted miscellaneous local revenue;
- e. Appropriate unbudgeted or underbudgeted Federal revenue; and
- f. Appropriate surplus generated from any Federal and/or State revenue excluded from the excess surplus calculation in the prebudget year in accordance with the annual audit program.

D. Transfers from General Fund Appropriation Accounts

1. For the purposes of Policy and Regulation 6422, "general fund appropriation account" means the required advertised appropriation accounts pursuant to N.J.S.A. 18A:22-1 et seq., except where consolidated as follows:
 - a. Basic skills, bilingual and special education instruction, including other related and extraordinary services;
 - b. Student activities, student athletics, and other student instructional services;
 - c. Student support services, including attendance, health, guidance, Child Study Team, and media;

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- d. Improvement of instruction and staff training; and
 - e. Special programs (Fund 13).
2. For all transfers from any general fund appropriation account as defined in D.1. above, and as amended to include prior year encumbrances carried forward to the current year and revenue appropriated pursuant to C. above, the Board shall obtain the approval for such transfers by two-thirds affirmative vote of the authorized membership of the Board, pursuant to N.J.S.A. 18A:22-8.1.
- a. When the total amount of such transfers, on a cumulative basis, exceeds ten percent of the amount of the account that was included in the school district's budget as certified for taxes, as amended to include prior year encumbrances carried forward to the current year and revenue appropriated pursuant to C. above, the Board shall request in writing approval from the Executive County Superintendent, as the Commissioner's designee, by submitting the request and purpose for the transfer using the report pursuant to (1) below.
 - (1) The Board may request approval from the Executive County Superintendent prior to obtaining the two-thirds affirmative vote of the authorized membership of the school Board for such approval.
 - (2) The Board's written transfer request shall be deemed approved after ten working days of receipt of such request by the Executive County Superintendent if no Executive County Superintendent approval or denial is provided within that timeframe. The district shall maintain documentation of the Executive County Superintendent's receipt of all transfer requests deemed approved under this provision.
 - b. Prior to any transfers from capital outlay accounts to current expense, except for equipment, the district shall submit a written request for approval to the County Superintendent with

documentation that such transfer is required due to demonstrated hardship.

E. Transfers to Certain Advertised Appropriation Accounts

1. For all transfers to the advertised appropriation accounts identified as general administration, school administration, central services and administrative information technology, or other support services that, on a cumulative basis, exceed ten percent of the amount of the account included in the school district's budget as certified for taxes, amended to include prior year encumbrances carried forward to the current year, a Board shall, prior to such transfer, submit to the Executive County Superintendent, in a format prescribed by the Commissioner, a request for such approval.

a. Such approval will not be granted, except as provided in b. below if:

(1) The school district's budget currently exceeds the administrative cost limits; or

(2) The transfer would result in a budget in excess of the administrative cost limits in the applicable budget year, as prescribed in N.J.S.A. 18A:7F-5(c)

b. Transfers may be approved to support a contractual obligation or one-time increase in spending as justified by district documentation. Transfers may not be approved if the district did not budget sufficient funds upon review of actual expenditures and historical trends in those accounts. A district that is granted such approval remains subject to the requirements set forth in N.J.S.A. 18A:7F-5(c).

F. Transfers to Capital Outlay Accounts

1. For all transfers to the advertised appropriation accounts identified as capital outlay for a capital outlay project not previously approved by the voters or Board of School Estimate pursuant to N.J.A.C. 6A:23-8.4, the Board shall, prior to such transfer, submit to the Executive County Superintendent a request for such approval. Approvals are required for

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unbudgeted or underbudgeted revenue, including those listed and appropriated pursuant to C. above and shall only be granted for requests with written documentation that supports the existence of an emergent circumstance as defined in B.3.b. above and only after an on-site inspection by the Executive County Superintendent to verify the emergent circumstance. Transfers to equipment accounts or to supplement a capital outlay project previously approved by the voters or Board of School Estimate, pursuant to N.J.A.C. 6A:23A-8.4, do not require approval by the Executive County Superintendent.

- a. The district shall maintain a report of current month and year-to-date transfers between general fund appropriation accounts as defined in D. above, in a format prescribed by the Commissioner, or in a format developed locally and approved by the Executive County Superintendent, and submit such report to the Executive County Superintendent with any transfer requests and in accordance with the submission requirements of the Board Secretary's and Treasurer's financial reports under N.J.A.C. 6A:23A-16.10.

Adopted: 20 May 1997
Revised: 18 November 2003
Revised: 21 October 2008
Revised: 24 August 2010

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Expenditures for Non-Employee Activities, Meals and Refreshments

6423 EXPENDITURES FOR NON-EMPLOYEE ACTIVITIES, MEALS, AND REFRESHMENTS

There may be school district activities where expenditures for non-employee activities, meals, and refreshments may occur. Expenditures for non-employee activities, meals, and refreshments for school district activities are allowed provided the expenses are in accordance with the provisions of N.J.A.C. 6A:23A-5.8. For the purposes of this Policy, unless the context clearly indicates otherwise, “activities” means events or functions provided or held for the benefit of pupils, dignitaries, and other “non-district” employees (e.g. parents) which are paid from public funds. “Dignitary” means a notable or prominent public figure; a high level official; or one who holds a position of honor. A dignitary, for purposes of this Policy, is not a school district employee or Board of Education member.

Allowable expenditures for non-employee school district activities shall include:

1. All reasonable costs, including light meals and refreshments, directly related to activities that benefit pupils and are part of the instructional program including expenditures for field trips and extracurricular programs that are not solely for entertainment. Nothing in this Policy or N.J.A.C. 6A:23A-5.8 shall preclude the district from using student activity funds or accepting donations to support pupil activities that are solely for pupil entertainment;
2. All reasonable costs directly related to activities of dignitaries and other “non-district” employees (e.g. parents), including light meals and refreshments and any other directly related expense. Expenditures for this purpose shall be minimal and infrequent;
3. All reasonable costs of commencement and convocation activities for pupils; and
4. Expenditures related to district employees to the extent such employees are essential to the conduct of the activity.

The Board shall, at a minimum, take actions regarding pupil activities as follows:

1. Pre-approve field trip destinations;

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2. Establish dollar thresholds for awards to recognize special accomplishments; and
3. Establish a budget supported by general fund revenues for each category of activity in a non-discriminatory manner (e.g. football, boys soccer, girls soccer, photography club). Student activity funds are excluded.

Pursuant to N.J.S.A. 18A:11-12 and State of New Jersey Department of Treasury, Office of Management and Budget Circular 08-19-OMB and 06-14-OMB, the following costs shall not be permitted using public funding:

1. Receptions, dinners, or other social functions held for or honoring any employee or group of employees of the district (e.g. breakfast, luncheon, dinner, or reception for retirees or award recipients). This does not prohibit the district from honoring employees without a social function or using public funds to support reasonable costs of employee recognition awards (e.g. teacher of the year awards, years of service awards). Use of public funds for reasonable costs of employee awards is a local discretionary expenditure;
2. Meals or refreshments served to guests at any athletic event or other games or contests; and/or
3. Expenses for alcoholic beverages.

The School Business Administrator/Board Secretary and/or designee shall maintain documentation to support activities, meals, and refreshments at district events. The documentation shall include a description of the activity, the purpose/justification of the activity, expressed in terms of the goal(s) or objective(s) of the district, the make-up of the group participating in the activity, and the names and titles of Board members or employees included in the group.

N.J.A.C. 6A:23A-5.8

Adopted: 21 October 2008
Revised: 08 September 2009

6424 EMERGENCY CONTRACTS

Any contract may be negotiated or awarded for a Board of Education without public advertising for bids and bidding notwithstanding that the contract price will exceed the bid threshold when an emergency affecting the health or safety of occupants of school property requires the immediate delivery of goods or the performance of services.

An actual or imminent emergency must exist requiring the immediate delivery of the goods or the performance of the service. Emergency contracts may not be used unless the need for the goods or services could not have been reasonably foreseen or the need for such goods or services has arisen notwithstanding a good faith effort on the school district to plan for the purchase of any goods or services required by the school district. Under no circumstance shall emergency purchasing procedures be used to enter into a multi-year contract.

If the School Business Administrator/Board Secretary is satisfied that an emergency exists, he/she shall be authorized to award a contract or contracts for such purposes as may be necessary to respond to the emergent needs pursuant to the provisions of N.J.S.A. 18A:18A-7 et seq.

If conditions permit, the School Business Administrator/Board Secretary shall seek quotations from more than one source. If the expenditures are expected to be in excess of the bid threshold, the School Business Administrator/Board Secretary shall attempt to obtain no fewer than three quotations.

As soon as possible, but within three days of declaring the emergency, the Superintendent of Schools shall notify the Executive County Superintendent of the nature of the emergency and the estimated need for goods or services necessary to respond to it.

When emergency conditions have eased, the School Business Administrator/Board Secretary shall utilize the regular purchasing system to obtain estimates from suppliers, vendors, and contractors for materials and/or services that will eliminate the circumstances that created the emergency.

The School Business Administrator/Board Secretary shall prepare and submit a final report to the Board on every occasion an emergency contract is negotiated or awarded in accordance with the provisions of N.J.S.A. 18A:18A-7.

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N.J.S.A. 18A:18A-7
N.J.A.C. 5:34-6.1

Adopted: 21 October 2008
Revised: 22 May 2012

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R 6424 EMERGENCY CONTRACTS

- A. Any contract may be negotiated or awarded for a Board of Education without public advertising for bids and notwithstanding that the contract price will exceed the bid threshold when an emergency affecting the health or safety of occupants of school property requires the immediate delivery of goods or the performance of services, provided that the contracts are awarded in the following manner:
1. The official in charge of the building, facility, or equipment wherein the emergency occurred or such other officer or employee as may be authorized to act in place of that official, shall notify the purchasing agent and/or School Business Administrator/Board Secretary of:
 - a. The need for the performance of a contract;
 - b. The nature of the emergency;
 - c. The time of its occurrence; and
 - d. The need for invoking this section.
 2. Such notification shall be reduced to writing and filed with the purchasing agent and School Business Administrator/Board Secretary as soon as practicable.
 3. If the School Business Administrator/Board Secretary is satisfied that an emergency exists, he/she shall be authorized to award a contract or contracts for such purposes as may be necessary to respond to the emergent needs.
- B. Upon the furnishing of such goods or services, in accordance with the terms of the contract, the contractor furnishing such goods or services, shall be entitled to be paid and the Board shall be obligated for said payment. The Board shall take such action as shall be required to provide for the payment of the contract price.
- C. If conditions permit, the School Business Administrator/Board Secretary shall seek quotations from more than one source. And, if the expenditures are expected to be in excess of the bid threshold, the School Business Administrator/Board Secretary shall attempt to obtain no fewer than three quotations.

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- D. When emergency conditions have eased, the School Business Administrator/Board Secretary shall utilize the regular purchasing system to obtain estimates from suppliers, vendors, and contractors for materials and/or services that will eliminate the circumstances that created the emergency.
- E. The School Business Administrator/Board Secretary shall submit a final report to the Board on every occasion an emergency contract is negotiated or awarded in accordance with the provisions of N.J.S.A. 18A:18A-7. The report shall describe:
1. The nature of the emergency;
 2. The time of its occurrence;
 3. The need for invoking this regulation;
 4. The action taken;
 5. The costs of the action;
 6. The accounts to be charged; and
 7. The plan for preventing a similar situation in the future.

Adopted: 21 October 2008

6440 COOPERATIVE PURCHASING

The Board of Education recognizes that centralized, cooperative purchasing tends to maximize the value received for each dollar spent. The administration is encouraged to seek savings that may accrue to this district by means of joint agreements for the purchase of goods or services with the governing body or bodies of other contracting units within this county or adjoining counties or by means of contracts entered into by the New Jersey State Treasury Department, Division of Purchase and Property.

The School Business Administrator/Board Secretary is hereby authorized to negotiate such joint purchase agreements for goods and services which the Board may determine to be required and which the Board may otherwise lawfully purchase for itself with such approved contracting units as may be appropriate in accordance with state law, the policies of this Board, and the dictates of sound purchasing procedures.

No cooperative or joint purchase may be entered without Board approval of an agreement that specifies the categories of equipment and supplies to be purchased; the manner in which bids will be sought and contracts awarded; the method by which payment will be made by each participating party, and such other terms as may be necessary to carry out the purposes of the agreement. Agreements for cooperative and joint purchasing will be subject to all bidding requirements imposed by law. Purchases made through the State Treasury Department may be made without bid.

N.J.S.A. 18A:18A-10 through 14
N.J.S.A. 40A:11-1 et seq.
N.J.A.C. 5:34-7
N.J.A.C. 6A:23-7.4

Adopted: 20 May 1997
Revised: 23 February 2004 (citation only)

6470 PAYMENT OF CLAIMS

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The Board of Education directs the prompt payment of legitimate claims by suppliers of goods and services to the school district, provided that each bill or obligation of this Board is fully itemized and verified before a warrant is drawn for its payment.

When an invoice is received, the Board Secretary or the School Business Administrator/Board Secretary shall verify that the voucher is properly submitted, that acceptable goods were received or satisfactory services rendered, that the expenditure is included in the Board's budget and funds are available for its payment, and that the amount of the invoice is correct.

The School Business Administrator/Board Secretary shall identify and investigate, if necessary, the reason for any increase to a purchase order. If it is found by the School Business Administrator/Board Secretary that an increase to a purchase order is warranted, the School Business Administrator/Board Secretary shall either approve a revision to the original purchase order with the reason noted, approve the issuance of a supplemental purchase order for the difference, or cancel the original purchase order and issue a new purchase order. If it is found an increase is not warranted, the purchase order shall be cancelled and the goods returned. In no instance shall an adjustment be made to a purchase order that changes the purpose or vendor of the original purchase order or a bid award price.

The school district's financial systems shall be programmed to:

1. Limit system access so that only appropriate Business office staff may make purchase order adjustments;
2. Reject adjustments in excess of any established approval thresholds;
3. Prevent unauthorized changes to be processed;
4. Reject payments where the sum of the invoice amount plus any previous invoices charged to the purchase order exceeds the sum of the original purchase order amount plus any authorized adjustments;
5. Reject duplicate purchase order numbers;
6. Reject duplicate invoice numbers; and
7. Prepare an edit/change report listing all payments made in excess of the originally approved purchase order amount.

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The School Business Administrator/Board Secretary shall review on a monthly basis edit/change reports listing all payments made in excess of the originally approved purchase order amount to ensure that all payments made are properly authorized.

If funds are not available in the budget line account to which the expenditure will be charged, funds may be transferred in accordance with Policy 6422.

The Board must approve all claims for payment, except such payments that are to be paid from funds derived from athletic events or other activities of student organizations. However, in accordance with N.J.S.A. 18A:19-4 and N.J.S.A. 18A:19-4.1, the Board may by Board resolution designate a person in addition to the Board Secretary to audit any account and demand to be paid, and provide for approval of such account or demand by such designated person or the Board Secretary prior to presentation to the Board. Any such approval of payment must be presented to the Board for ratification at the next regular Board meeting.

All claims shall be fully itemized, verified, and shall be submitted for Board review and approval or ratification. Claims must be submitted to the Board in the form of a list that includes the number, amount, and date of the warrant; the payee; the reason for the expenditure; and the account charged. All claims that equal or exceed fifteen percent of the bid threshold amount established pursuant to N.J.S.A. 18A:18A-3, except for payrolls and debt service, shall be verified by affidavit or by signed declaration in writing in accordance with the provisions of N.J.S.A. 18A:19-3.

The list of claims must be accompanied by the original records that include copies of the purchase order, the receiving report, the vendor's invoice, and the purchase requisition. The list of approved warrants will be included in the minutes of the Board meeting.

When a claim for payment is duly approved in accordance with this Policy, the School Business Administrator/Board Secretary shall promptly prepare a warrant for payment, cancel the commitment placed against the appropriate account, and post the actual expenditure. All warrants shall be signed by the Board President, Board Secretary, Superintendent of Schools, and/or Treasurer of School Moneys, as appropriate to the district.

N.J.S.A. 18A:17-36; 18A:18A-3; 18A:19-1 et seq.; 18A:19-3;
18A:19-4; 18A:19-4.1; 18A:22-8.1
N.J.A.C. 6A:23A-6.10

Adopted: 20 May 1997
Reviewed: 3 May 2005
Revised: 21 October 2008
Revised: 08 September 2009
Revised: 22 March 2016

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R 6470 PAYMENT OF CLAIMS

A. Receipt of Goods and Services

1. The staff member authorized to receive goods or services shall check them against the purchase order issued and determine whether the goods or services delivered meet the specifications and quantities set forth in the purchase order.
2. The authorized staff member designee will record his or her approval of the received goods or services on the blue receiving copy of the purchase order and return it to the Business office. A goldenrod copy of the purchase order will be retained by the receiving staff member.
3. Any over supply, shortage, substitution, or other discrepancy must be reported immediately to the School Business Administrator/Board Secretary or Accounts Payable clerk.

B. Approval of Invoice

1. The School Business Administrator/Board Secretary or Accounts Payable clerk shall verify the vendor's invoice for the correct billing price and check the invoice for accurate extensions and omission of tax.
2. The Accounts Payable clerk shall attach the vendor's invoice and verification voucher to the white copy of the purchase order received from the requisitioner certifying satisfactory completion of the service or receipt of the goods.
3. If an invoice exceeding \$150 in amount does not include a voucher, a voucher will be promptly sent for the vendor's verification.
4. If the invoice price exceeds the purchase order price, the invoice will be referred to the School Business Administrator/Board, who will only approve a payment amount in excess of the approved purchase amount in accordance with the provisions of Policy 6470 and N.J.A.C. 6A:23A-6.10.
5. If extensions are incorrectly calculated, the invoice will be returned to the vendor for correction.
6. If goods or services received were not satisfactory, the receiving staff member and the vendor will be consulted in order to reach a resolution satisfactory to all parties.

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7. The final invoice, verification voucher (if necessary), verified receipt, and all accompanying papers will be forwarded to the Business Administrator/Board Secretary or designee or Accounts Payable clerk.
- C. Issuance of Warrants
1. The Business Administrator/Board Secretary or Accounts Payable clerk may prepare warrants for expenditures for which the Board has waived approval and which are listed in Policy No. 6470:
 2. All claims paid without prior Board approval as permitted in Policy 6470 and N.J.S.A. 18A:19-4.1 et seq. shall be reported to the Board at its next meeting after the warrant is drawn.
 3. All other demands for payment will be submitted to the Board for approval.
 4. In accordance with Policy 6470, claims must be submitted to the Board in the form of a list that includes the:
 - a. Number, amount, and date of the warrant,
 - b. Payee,
 - c. Reason for the expenditure, and
 - d. Account charged.
 5. When the expenditure has been approved, the authorized Business office staff member will debit the correct account and credit the encumbrance.
 6. A warrant will be prepared for the payment of goods or services. The warrant number will be recorded on the file copy of the vendor's invoice.
 7. All warrants shall be signed by the Board President, the Board Secretary, Superintendent of Schools, and/or the Treasurer of School Moneys, as appropriate to the district and in accordance with the requirements of applicable statutes and administrative codes.

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8. The Board of Education shall approve the authorized signatures to be required on warrants for each account. Warrants may be signed in one or more of the following manners:
 - a. Warrants may be run through a checkwriter machine for imprint of the required signatures. A checkwriter machine will be kept in a secured location. The key(s) to the checkwriter machine will be removed from the checkwriter machine when it is not in use and stored in a secured location not with the checkwriter machine.
 - b. Warrants may have the required signatures affixed by use of signature stamps. When the signature stamps are not in use they will be kept in a secured location.
 - c. Warrants may have an imprint of the signatures affixed by the computerized system when the warrants are printed. The computer system used to prepare warrants and affix signatures shall have appropriate security software to assure that unauthorized individuals do not have access to the system.

Adopted: 20 May 1997
Revised: 3 May 2005
Revised: 21 October 2008
Revised: 22 March 2016

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6471 SCHOOL DISTRICT TRAVEL

The Board of Education shall ensure the effective and efficient use of funds by adopting and implementing policies and procedures that are in accordance with N.J.S.A. 18A:11-12 and State of New Jersey Department of the Treasury, Office of Management and Budget (NJOMB) Circulars 08-19-OMB and 06-14-OMB (OMB Circulars) and any superseding circulars pertaining to travel, meals, events and entertainment, and the additional requirements set forth in N.J.A.C. 6A:23A-7. If any superseding circulars of the Office of Management and Budget conflict with the provisions of N.J.A.C. 6A:23A-7, the provisions of the superseding circulars shall govern.

A. Definitions

1. For the purposes of this Policy, “travel expenditures” means those costs paid by the school district using local, State, or Federal funds, whether directly by the school district or by employee reimbursement, for travel by school district employees and district Board of Education members, to the following five types of travel events:
 - a. Training and seminars - means all regularly scheduled, formal residential or non-residential training functions conducted at a hotel, motel, convention center, residential facility, or at any educational institution or facility;
 - b. Conventions and conferences - means general programs, sponsored by professional associations on a regular basis, which address subjects of particular interest to a school district or are convened to conduct association business. The primary purpose of employee attendance at conferences and conventions is the development of new skills and knowledge or the reinforcement of those skills and knowledge in a particular field related to school district operations. These are distinct from formal staff training and seminars, although some training may take place at such events;
 - c. School district sponsored events - means conferences, conventions, receptions, or special meetings where the school district plans, develops, implements, and coordinates the event and is the event’s primary financial backer. School district employees are actively involved in working the event and other employees may attend as participants;

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- d. Regular school district business - means all regular official business travel, including attendance at meetings, conferences, and any other gatherings which are not covered by the definitions included in a., b., and c. above. Regular school district business travel also includes attendance at regularly scheduled in-State county meetings and Department of Education sponsored or association sponsored events provided free of charge and regularly scheduled in-State professional development activities with a registration fee that does not exceed \$150 per employee or Board member. Beginning in 2009-2010 the \$150 limit per employee or Board member may be adjusted by inflation; and
- e. Retreats - means meetings with school district employees and school Board members, at which organizational goals and objectives are discussed.

B. School District Travel Expenses

- 1. Any sections in either the State or Federal Circulars that conflict with New Jersey school law (N.J.S.A. 18A:1-1 et seq.) shall not be included in this Policy nor authorized under N.J.A.C. 6A:23A-7.1 et seq. This includes, but is not limited to, the authority to issue travel charge cards as allowed under the State Circular, but not authorized for school districts under New Jersey school law.
- 2. School district travel expenditures shall include, but are not limited to, all costs for transportation, meals, lodging, and registration or conference fees directly related to participation in the event.
- 3. School district travel expenditures in accordance with this Policy and N.J.A.C. 6A:23-7.1 et seq. shall include costs for all required training and all travel authorized in school district employee contracts and school Board policies. This includes, but is not limited to, required professional development, other staff training and required training for Board members, and attendance at specific conferences authorized in existing employee contracts, provided that such travel meets the requirements of N.J.A.C. 6A:23-7.1 et seq.
- 4. All such expenditures are subject to the requirements of N.J.A.C. 6A:23-7.1 et seq., including but not limited to, inclusion in the annual travel limit, prior Board approval, separate tracking, and per diem reimbursements.

C. School District Travel Requirements

1. All travel by Board of Education employees and Board members must be educationally necessary and fiscally prudent and all school district travel expenditures shall be:
 - a. Directly related to and within the scope of the employee's or Board member's current responsibilities and, for school district employees, the school district's professional development plan, the school building professional development plan, and an employee's individual professional development plan;
 - b. For travel that is critical to the instructional needs of the school district or furthers the efficient operation of the school district; and
 - c. In compliance with State travel payment guidelines as established by the Department of the Treasury and with guidelines established by the Federal Office of Management and Budget; except those guidelines that conflict with the provisions of Title 18A of the New Jersey Statutes shall not be applicable, including, but not limited to, the authority to issue travel charge cards. The Board specifies in this Policy the applicable restrictions and requirements set forth in the State and Federal guidelines including, but not limited to, types of travel, methods of transportation, mileage allowance, subsistence allowance, and submission of supporting documentation including receipts, checks, or vouchers.
2. Reimbursement for all in-State and out-of-State travel shall be made pursuant to N.J.S.A. 18A:11-12. In accordance with the provisions of N.J.A.C. 6A:23A-5.9:
 - a. Out-of-State travel events shall be limited to the fewest number of Board members or affected employees needed to acquire and present the content offered to all Board members or staff, as applicable, at the conclusion of the event. Where the event is sponsored by a New Jersey-based organization and targeted to employees and/or Board members of New Jersey school districts, reimbursement for lodging may be permitted only where the sponsoring organization obtains a waiver pursuant to the

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provisions of N.J.A.C. 6A:23A-7.11. Where the event is national or regional in scope and targeted to school district employees and/or Board members from multiple States, reimbursement for lodging may only be provided if the event occurs on two or more consecutive days and where home to event commute exceeds fifty miles.

- b. Where a travel event has a total cost that exceeds \$5,000, regardless of the number of attendees, or where more than five individuals from the district are to attend a travel event out-of-State, the school district shall obtain the prior written approval of the Executive County Superintendent. The Executive County Superintendent shall promptly review the request and render a decision within ten working days.
- c. For all employee and Board member travel events out of the country, regardless of cost or number of attendees, the school district shall obtain the prior written approval of the Executive County Superintendent. Such requests must be supported by detailed justification. The Executive County Superintendent shall promptly review the request and render a decision within ten working days. It is expected that approvals will be rare.

D. Travel Reimbursements

1. Travel reimbursements will be paid only upon compliance with all provisions of N.J.A.C. 6A:23A-7 and the Board's procedures and approval requirements. The Board will not ratify or approve payments or reimbursements for travel after completion of the travel event, except as provided at N.J.A.C. 6A:23A-7.4(d).

E. Board Member Voting On School District Travel

1. A Board member shall recuse him/herself from voting on travel if the Board member, a member of his/her immediate family, or a business organization in which he/she has an interest, has a direct or indirect financial involvement that may reasonably be expected to impair his/her objectivity or independence of judgment.
2. A Board member shall not act in his/her official capacity in any matter in which he/she or a member of his/her immediate family has a personal

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involvement that is or creates some benefit to the school official or member of his/her immediate family; or undertake any employment or service, whether compensated or not, which may reasonably be expected to prejudice his/her independence of judgment in the execution of his/her official duties.

F. Maximum Travel Budget

1. Annually in the prebudget year, the Board shall establish by Board resolution, a maximum travel expenditure amount for the budget year which the school district shall not exceed. The Board resolution shall also include the maximum amount established for the prebudget year and the amount spent to date.
 - a. The maximum school district travel expenditure amount shall include all travel supported by local and State funds.
 - b. The Board may elect to exclude travel expenditures supported by Federal funds from the maximum travel expenditure amount. If Federal funds are excluded from the established maximum amount, the Board shall include in the resolution the total amount of travel supported by Federal funds from the prior year, prebudget year, and projected for the budget year.
 - c. Exclusion of Federal funds from the annual maximum travel budget does not exempt such travel from the requirements applicable to State and local funds.
2. The Board of Education, pursuant to the provisions of N.J.A.C. 6A:23A-7.3(b), authorizes an annual maximum amount per employee not to exceed \$1,500 (a maximum of \$1,500) for regular business travel only for which prior Board approval is not required.
 - a. The annual maximum shall not exceed \$1,500 and shall be subject to the approval requirements in N.J.S.A. 18A:19-1.
 - b. Regular school district business travel as defined in N.J.A.C. 6A:23A-1.2 includes attendance at regularly scheduled in-State county meetings and Department of Education sponsored or association sponsored events free of charge. It also includes regularly scheduled in-State professional development activities

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for which the registration fee does not exceed \$150 per employee or Board member.

- c. Regular school district business travel as authorized in this Policy requires approval of the Superintendent prior to obligating the district to pay related expenses and prior to attendance at the travel event.
 - (1) The Superintendent shall designate an alternate approval authority to approve travel requests in his/her absence when necessary to obtain timely Board approval.
 - (2) Regulation 6471 provides the procedures for the internal levels of approval required prior to Superintendent or designee approval of the travel event, as applicable.

G. Travel Approval Procedures

- 1. All travel requests for employees of the district shall be approved in writing by the Superintendent of Schools and approved by a majority of the full voting membership of the Board, except where the Board has excluded regular business travel from prior approval pursuant to the provisions of N.J.A.C. 6A:23A-7.3(b), prior to obligating the school district to pay related expenses and prior to attendance at the travel event.
 - a. The Superintendent shall designate an alternate approval authority to approve travel requests in his/her absence when necessary to obtain timely Board approval.
 - b. Regulation 6471 provides the procedures for the internal levels of approval required prior to the Superintendent's or designee's approval of the travel event, as applicable.
- 2. All travel requests for Board members shall require prior approval by a majority of the full voting membership of the Board, except where the Board has excluded regular business travel from prior approval pursuant to the provisions of N.J.A.C. 6A:23A-7.3(b), and the travel shall be in compliance with N.J.S.A. 18A:12-24 and N.J.S.A. 18A:12-24.1.
- 3. The Board may approve, at any time prior to the event, travel for multiple months as long as the Board approval, as detailed in Board minutes,

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itemizes the approval by event, total cost, and number of employees and Board members attending the event. General or blanket pre-approval is not authorized.

4. Where occasional unforeseen emergent situations arise wherein a travel request cannot obtain prior approval of the Board, justification shall be included in the text of the travel request. Such requests shall require prior written approval of the Superintendent or designee and the Executive County Superintendent or designee. The Board shall ratify the request at its next regularly scheduled meeting. Travel to conferences, conventions, and symposiums are not considered to be emergencies and shall not be approved after the fact.
5. The Board, in accordance with the provisions of N.J.A.C. 6A:23A-7.4(d) excludes from the requirements of prior Board approval any travel caused by or subject to existing contractual provisions, including grants and donations, and other statutory requirements, or Federal regulatory requirements.
 - a. For the exclusion of prior Board approval to apply, the required travel event must be detailed, with number of employee(s), Board member(s), and total cost in the applicable contract, grant, donation, statute, or Federal regulation.
 - (1) This does not include general grant guidelines or regulations that are permissive but do not require the travel event, unless the specific travel event, number of employee(s), Board member(s) and total cost is detailed in the approved grant, donation, or other fund acceptance agreement.
 - (2) This does not include general contractual provisions in labor agreements for continuing education or professional development, except where the Board has included in its policy, a maximum amount per employee for regular business travel that does not require prior Board approval pursuant to N.J.A.C. 6A:23A-7.3.

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H. Required Documentation for Travel

1. Neither the Superintendent or designee, nor the Board shall approve a travel request unless the written request for travel includes the following information:
 - a. Name and dates of event;
 - b. A list of Board members and/or employees to attend either by name or title;
 - c. Estimated cost associated with travel;
 - d. A justification and brief statement that includes the primary purpose for the travel and the key issues that will be addressed at the event and their relevance to improving instruction or the operation of the school district. For training events, whether the training is needed for a certification required for continued employment, continuing education requirements, requirements for Federal or State law, or other purpose related to the programs and services currently being delivered or soon to be implemented in the school district, or related to school district operations;
 - e. Account number and funding source – Federal, State, private, or local; and
 - f. In the case of annual events, total attendance and cost for the previous year.
2. Detailed documentation shall be maintained on file in the school district which demonstrates compliance with the Board's travel policy, including travel approvals, reports, and receipts for all school district funded expenditures, as appropriate.

I. Accounting for School District Travel

1. The School Business Administrator/Board Secretary or designee shall prepare itemized travel budgets by function and object of expense for each cost center, department or location maintained in the school district's

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accounting system, as applicable, as part of the preparation of and documentation for the annual school district budget:

- a. The aggregate amount of all travel budgets shall not exceed the Board approved maximum travel expenditure amount for the budget year as required by N.J.A.C. 6A:23A-7.3.
2. The School Business Administrator/Board Secretary shall maintain separate accounting for school district travel expenditures as necessary to ensure compliance with the school district's maximum travel expenditure amount. This may include, but need not be limited to, a separate or offline accounting of such expenditures or expanding the school district's accounting system. The tracking system shall be sufficient to demonstrate compliance with the Board's policy and N.J.A.C. 6A:23-7, and shall be in a detailed format suitable for audit.
3. The School Business Administrator/Board Secretary or designee, shall review and approve all requests for travel expenditure reimbursement submitted for expenses incurred in the course of school district business as to cost and support documentation required by N.J.A.C. 6A:23A-7:
 - a. The School Business Administrator/Board Secretary shall not approve or issue payment of travel expenditures or reimbursement requests until all required documentation and information has been submitted to support the payment and shall not approve any travel expenditure that when added to already approved travel expenditures would exceed the Board approved maximum travel expenditure amount for the budget year.
4. The School Business Administrator/Board Secretary shall be responsible for the adequacy of documentation of transactions processed by their staff and the retention of that documentation to permit audits of their records.
5. An employee of the Board, a Board member, or organization, shall not receive payment, either partial or full, for travel and travel-related expenses in advance of the travel pursuant to N.J.S.A. 18A:19-1 et seq. The payment of travel and travel-related expenses shall be made personally by a school district employee or Board member and reimbursed at the conclusion of the travel event. This applies to travel-related purchases for which a purchase order is not applicable. This provision

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does not preclude the district from paying the vendor directly with the proper use of a purchase order (e.g., for registration, airline tickets, hotel).

J. Sanctions for Violations of Travel Requirements

1. Any Board of Education that violates its established maximum travel expenditure as set forth in N.J.A.C. 6A:23A-7.3, or that otherwise is not in compliance with the travel limitations set forth in N.J.A.C. 6A:23A-7 may be subject to sanctions by the Commissioner as authorized pursuant to N.J.S.A. 18A:4-23 and N.J.S.A. 18A:4-24, including reduction of State aid in an amount equal to any excess expenditure pursuant to N.J.S.A. 18A:11-12 and N.J.S.A. 18A:7F-60.
2. A person who approves any travel request or reimbursement in violation of N.J.A.C. 6A:23A-7 shall be required to reimburse the school district in an amount equal to three times the cost associated with attending the event pursuant to N.J.S.A. 18A:11-12:
 - a. As required in N.J.A.C. 6A:23A-7.7(b)(1) the Board designates the Superintendent of Schools and the School Business Administrator/Board Secretary as the person(s) with the final approval authority for travel and therefore shall be subject to this penalty.
3. An employee or Board member who violates the school district's travel policy or these rules shall be required to reimburse the school district in an amount equal to three times the cost associated with attending the event pursuant to N.J.S.A. 18A:11-12.
4. In the event it is determined a violation of the provisions of N.J.A.C. 6A:23A-7 has occurred after Board payment has been made, the Superintendent of Schools shall be responsible to ensure the sanctions as outlined in N.J.A.C. 6A:23A-7.7 are imposed. If a violation is determined prior to payment or reimbursement of the travel event, no consequences as outlined in N.J.A.C. 6A:23A-7.7 shall be imposed; however, the Superintendent may impose disciplinary action as necessary.
5. The annual audit conducted pursuant to N.J.S.A. 18A:23-1 shall include test procedures to ensure compliance with this Policy and travel limitations set forth in N.J.A.C. 6A:23A-7 and N.J.S.A. 18A:11-12.

K. Prohibited Travel Reimbursements

1. The following types of expenditures are not eligible for reimbursement:
 - a. Subsistence reimbursement for one-day trips, except for meals expressly authorized by and in accordance with the provisions of N.J.A.C. 6A:23A-7.12;
 - b. Subsistence reimbursement for overnight travel within the State, except where authorized by the Commissioner in accordance with the procedures set forth in N.J.A.C. 6A:23A-7.11;
 - c. Travel by Board members or employees whose duties are unrelated to the purpose of the travel event or who are not required to attend to meet continuing education requirements or to comply with law or regulation;
 - d. Travel by spouses, civil union partners, domestic partners, immediate family members, and other relatives;
 - e. Costs for employee attendance for coordinating other attendees' accommodations at the travel event;
 - f. Lunch or refreshments for training sessions and retreats held within the school district including in-service days and for employee participants traveling from other locations within the school district;
 - g. Training to maintain a certification that is not required as a condition of employment (example: CPE credits to maintain a CPA license if the employee is not required to be a CPA for continued school district employment);
 - h. Charges for laundry, valet service, or entertainment;
 - i. Limousine services and chauffeuring costs to or during the event;
 - j. Car rentals, either utilized for airport transportation or transportation at a conference, convention, etc., unless absolutely necessary for the conduct of school district business. Justification must accompany any request for car rentals. If approved, the

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most economical scheduling of car rental is to be used, including the use of subcompacts, discounted, and special rates. An example of the justified use of car rental is when an employee is out of State, making inspections at various locations, and the use of public transportation is impracticable. When car rental is authorized, the employee shall not be issued an advance payment for the anticipated expense associated with the rental;

- k. Alcoholic beverages;
 - l. Entertainment costs including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities);
 - m. Gratuities or tips in excess of those permitted by Federal per diem rates;
 - n. Reverse telephone charges or third party calls;
 - o. Hospitality rooms;
 - p. Souvenirs, memorabilia, promotional items, or gifts;
 - q. Air fare without documentation of quotes from at least three airlines and/or online services; and
 - r. Other travel expenditures that are unnecessary and/or excessive.
- L. Travel Methods
- 1. For the purposes of this Policy, “transportation” means necessary official travel on railroads, airlines, shuttles, buses, taxicabs, school district-owned or leased vehicles, and personal vehicles.
 - 2. The purchase or payment of related transportation expenses shall be made by purchase order or personally by a school district employee or Board member and reimbursed at the conclusion of the travel event. An actual invoice or receipt for each purchase or expense shall be submitted with a claim for reimbursement.

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3. Pursuant to OMB Circulars, the following travel methods requirements apply:
 - a. Air and rail tickets shall be purchased via the Internet, if possible, using airline or online travel services such as Travelocity, Expedia, or Hotwire;
 - b. Air travel shall only be authorized when determined that it is necessary and advantageous to conduct school district business:
 - (1) The most economical air travel should be used, including the use of discounted and special rates;
 - (2) The following options should be considered when booking tickets:
 - (a) Connecting versus nonstop flights;
 - (b) Departing earlier or later compared to the preferred departure time;
 - (c) Utilizing alternative airports within a city, i.e. Chicago, Illinois – Midway Airport versus O’Hare Airport;
 - (d) Utilizing alternative cities, i.e. Newark versus Philadelphia;
 - (e) Utilizing "low cost" airlines; and
 - (f) Exploring alternate arrival and/or departure days.
 - (3) No employee or Board member can earn benefits as a result of school district funded travel. Employees and Board members are prohibited from receiving "Frequent Flyer" benefits accruing from school district funded travel;
 - (4) Airfare other than economy (i.e., Business or First Class) shall not be fully reimbursed by the school district except when travel in such classes:

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- (a) Is less expensive than economy;
 - (b) Avoids circuitous routings or excessive flight duration; or
 - (c) Would result in overall transportation cost savings.
- (5) All airfare other than economy and not covered by the above exceptions purchased by an employee or Board member shall only be reimbursed at the economy rate for the approved destination;
 - (6) Cost estimates on travel requests and associated authorizations shall be consistent with current airline tariffs, with consideration of available special fares or discounts, for the requested destination;
 - (7) Airline tickets shall not be booked until all necessary approvals have been obtained;
 - (8) Justification shall be required when actions by a traveler result in additional expenses over and above the authorized travel request. Sufficient justification shall be considered only for factors outside the control of the purchaser. Additional expenses without sufficient justification shall not be reimbursed; and
 - (9) Justification shall accompany requests for airline ticket reimbursement when purchased by employees or Board members contrary to the above regulations. Sufficient justification shall be considered only for factors outside the control of the purchaser. Noncompliant purchases without sufficient justification shall not be reimbursed. Reimbursement of purchases with sufficient justification shall be otherwise permitted and reimbursed in accordance with the above procedures.
- c. Rail travel shall only be authorized when determined that it is necessary and advantageous to conduct school district business:

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- (1) The most economical scheduling of rail travel shall be utilized, including excursion and government discounts, whenever applicable;
 - (2) When one employee or Board member is traveling within the Northeast Corridor, NJ Transit shall be used as the rail option. Use of Amtrak will not be authorized unless it is the only means of travel available;
 - (3) The use of high speed rail services, such as Acela, shall not be authorized;
 - (4) When two or more employees and/or Board members are traveling to the same event in the Northeast Corridor (between Boston, MA and Washington, DC), rail travel shall not be authorized. In those cases, the travelers must use a school district vehicle or, if not available, a personally-owned vehicle must be used; and
 - (5) All rail travel, including rail travel in the Northeast Corridor must be processed in the same manner as prescribed for air travel above.
- d. Use of a school district-owned or leased vehicle shall be the first means of ground transportation. Use of a personally-owned vehicle on a mileage basis shall not be permitted for official business where a school district-owned or leased vehicle is available:
- (1) Mileage allowance in lieu of actual expenses of transportation shall be allowed at the rate authorized by the annual State Appropriations Act, or a lesser rate at the Board's discretion for an employee or Board member traveling by his/her personally-owned vehicle on official business:
 - (a) In accordance with the OMB circular, if any condition in an existing negotiated contract is in conflict with the circular, such as the mileage reimbursement rate, the provision of the contract will prevail;

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- (b) Parking and toll charges shall be allowed in addition to mileage allowance;
- (c) Reimbursement for travel to points outside the State by automobile shall be permitted when such arrangements prove to be more efficient and economical than other means of public transportation;
- (d) In determining the relative costs of private and public transportation, all associated costs (i.e., tolls, taxicabs, airport, or station transfers, etc.) shall be considered;
- (e) All employees and Board members using privately-owned vehicles in the performance of their duties for the school district shall present a New Jersey Insurance Identification Card indicating that insurance coverage is in full force and effect with companies approved by the State Department of Banking and Insurance. The card shall be made available to the Superintendent or designee before authorization to use privately-owned vehicles;
- (f) Employees and Board members who are out-of-State residents must provide appropriate insurance identification in lieu of the New Jersey Insurance Identification Card;
- (g) School district-owned or leased vehicles shall be utilized in accordance with N.J.A.C. 6A:23A-6.12;
- (h) Necessary taxicab charges are permitted. However, travel to and from airports, downtown areas, and between hotel and event site shall be confined to regularly scheduled shuttle service, whenever such service is complimentary or is less costly. If shuttle service is not available, taxicabs may be used; and

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- (i) Cruises are not permitted for travel events or transportation.

M. Routing of Travel

1. Pursuant to OMB Circulars:
 - a. All travel shall be by the most direct, economical, and usually-traveled route. Travel by other routes as a result of official necessity shall only be eligible for payment or reimbursement if satisfactorily established in advance of such travel.
 - b. In any case where a person travels by indirect route for personal convenience, the extra expense shall be borne by the individual.
 - c. Reimbursement for expenses shall be based only on charges that do not exceed what would have been incurred by using the most direct, economical, and usually traveled route.

N. Subsistence Allowance – Overnight Travel

1. Pursuant to the OMB Circulars, one-day trips that do not involve overnight lodging shall not be eligible for subsistence reimbursement, except for meals expressly authorized by and in accordance with the provisions of N.J.A.C. 6A:23A-7.12.
2. Pursuant to the OMB Circulars, generally, overnight travel shall not be eligible for subsistence reimbursement if travel is within the State. Overnight travel is permitted if such travel is authorized pursuant to N.J.A.C. 6A:23A-7.11(c), or is a required component of a grant, donation, or other funding agreement with the district. The specific required overnight in-State travel event must be detailed in the approved grant, donation, or other fund acceptance agreement along with the number of employee(s), Board member(s), and total cost. All reimbursements are subject to these rules unless the funding acceptance agreement specifies otherwise.
3. The Commissioner is authorized to grant waivers for overnight travel for school Board members and school district employees to attend in-State conferences in accordance with N.J.A.C. 6A:23A-7.11(c). If a waiver is

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granted by the Commissioner, it shall permit reimbursement for travel expenses for only those individuals whose home to the convention commute exceeds fifty miles.

4. Overnight travel within the State shall not be eligible for subsistence reimbursement if travel is on the day prior to the start of the conference. Reimbursement shall be prohibited for lodging prior to check-in time for the first day of the event or after check-out time on the last day of the event.
5. The United States General Services Administration publishes a schedule of Federal per diem rates in the Federal Register for approved overnight travel by the event location. The latest Federal per diem rates schedule for lodging, meals, and incidental expenses by location can be found at www.gsa.gov. The following restrictions apply to allowable per diem reimbursements.
 - a. Allowable per diem reimbursement for lodging, meals, and incidentals shall be actual reasonable costs, not to exceed the Federal per diem rates for the event location. Registration and conference fees are not subject to the Federal per diem rate caps. If the event location is not listed, the maximum per diem allowance shall be \$31 for meal/incidental expenses and \$60 for lodging, or amounts listed in any superseding NJOMB circular.
 - b. Pursuant to N.J.S.A. 18A:11-12(o), reimbursement for lodging expenses for overnight travel, out-of-State or in-State as authorized by the Commissioner, may exceed the Federal per diem rates if the hotel is the site of the convention, conference, seminar or meeting, and the going rate of the hotel is in excess of Federal per diem rates.
 - (1) If the hotel at the site of the current travel event is not available, lodging may be paid for similar accommodations at a rate not to exceed the hotel rate at the site of the current event.
 - (2) If there is no hotel at the site of the current travel event (e.g. Atlantic City Convention Center), then reimbursement for lodging shall not exceed the Federal per diem rate.

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- c. If the meal is not part of a one-sum fee for a travel event, reimbursement may be approved for the full cost of an official convention meal that the employee or Board member attends, when such meal is scheduled as an integral part of the convention or conference proceedings.
 - (1) Receipts shall be submitted in order to obtain reimbursement in such situations. The amount of the Federal per diem rate for the corresponding meal shall be deducted from that day's subsistence allowance.
 - d. The allowance for a meal or meals, or incidentals shall not be eligible for reimbursement when included and paid in the registration fee, the cost of lodging or transportation charge.
 - e. Receipts shall be required for all hotel and incidental expenses.
 - (1) Meal expenses under the Federal per diem allowance limits do not require receipts pursuant to N.J.S.A. 18A:11-12.o(3).
 - f. In any case in which the total per diem reimbursement is greater than the Federal per diem rates, the costs shall be considered excessive in the absence of substantial justification accompanying the travel voucher submitted by the employee or Board member. In such cases, receipts shall be submitted for all costs including meals.
 - g. Employees and Board members shall patronize hotels and motels that offer special rates to government employees unless alternative lodging offers greater cost benefits or is more advantageous to the conduct of school district business.
 - h. Actual subsistence expenses shall not be reimbursable if paid by the traveler to a member of his/her family, to another school district employee, or to a member of the family of another school district employee.
- O. Meal Allowance – Special Conditions – And Allowable Incidental Travel Expenditures

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1. Meals for in-State travel shall not be eligible for reimbursement except as expressly authorized within N.J.A.C. 6A:23A-7.
2. Meals during one-day, out-of-State trips required for school business purposes may be authorized for breakfast, lunch, and/or dinner in an amount permitted by NJOMB. The Commissioner shall post the most current rates on the Department of Education website for reference.
3. Lunch for training sessions and retreats may be authorized for an amount up to \$7 per person only when it is necessary that employees or Board members remain at a site other than their school district and there are no viable options for lunch at the off-site location.
 - a. If lunch is included in a one-sum registration fee for the training session, the full amount is eligible for reimbursement if reasonable.
 - b. Refreshments for breaks may also be provided at training sessions and retreats held at a site other than the school district. Providing lunch for staff meetings and in-service days or for staff that come from other parts of the school district shall not be permitted (See N.J.A.C. 6A:23A-7.12(d)).
 - c. In accordance with N.J.S.A. 18A:11-12a(1)(d), employee and Board member retreats shall be held onsite unless there is no school district site available.
4. Subsistence expenses for an employee or Board member shall not be allowed at the school district or within a radius of ten miles thereof, except for meals expressly authorized by and in accordance with the provisions of Section O of this Policy and N.J.A.C. 6A:23A-7.12. Non-allowed expenses include, but are not limited to, meals and refreshments for staff meetings and in-service days.
5. Reimbursement may be approved for the cost of an official luncheon or dinner, up to \$7 and \$10, respectively, that an employee or Board member is authorized to attend, where such a meal is scheduled as an integral part of an official proceeding or program related to school district business and the employee's responsibilities.
 - a. School district business above refers to the management operations of the district and does not refer to activities that benefit pupils and

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are part of the instructional program. Pursuant to N.J.A.C. 6A:23A-5.8(b)(4), all reasonable expenditures related to district employees that are essential to the conduct of a pupil activity are permitted.

6. Regular meetings, special meetings, and work sessions of the Board of Education shall be limited to light meals and refreshments for all Board members.
 - a. The meals may be served to employees who are required to attend the event and where it is impractical for the employee to commute to and from his or her residence between the end of the work day and the beginning of the event, or where the employee is required to remain at the school district to prepare for the event.
 - b. The school district shall acquire the light meals and refreshments by the solicitation of quotes if required pursuant to N.J.S.A. 18A:18A-1 et seq.
 - c. Where the school district's food service program can prepare comparable meals at a lower cost, the food service program shall be used.
 - d. The average cost per meal shall not exceed \$10.
 - e. The school district shall purchase or prepare foods that are sufficient to provide each Board member, dignitary, non-employee speaker, or allowable staff member one meal. Meals should be carefully ordered to avoid left-over food. Unintended left-over food should be donated to a charitable shelter or similar facility, if at all possible.
7. Allowable incidental travel expenses are defined as those that are essential to transacting official business.
 - a. Charges for telephone calls on official business may be allowed. The voucher must show the dates on which such calls were made, the points between which each call was made and the cost per call.
 - b. Employees and Board members using their personally-owned telephone for business may request reimbursement, less Federal

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Communications Tax. Calls for business are tax exempt and the telephone company will make allowances for the tax if the employee or Board member certifies to the telephone company when paying bills for personally-owned phones that said calls were business calls.

- c. Incidental expenses, when necessarily incurred by the traveler in connection with the transaction of official business, may be submitted for reimbursement only when the necessity and nature of the expense are clearly and fully explained on the travel voucher and the voucher is approved. Travel vouchers shall be supported by receipts showing the quantity and unit price.

P. Records and Supporting Documentation

1. All persons authorized to travel on business must keep a memorandum of expenditures chargeable to the school district, noting each item at the time the expense is incurred, together with the date incurred.
2. The travel voucher shall be completed by the employee or Board member to document the details of the travel event. The travel voucher must be signed by the employee or Board member to certify to the validity of the charges for which reimbursement is sought. The form must also bear the signatures of approval officials for processing.
3. Sufficient documentation shall be maintained centrally by the school district to support payment and approval of the travel voucher.
4. Each person authorized to travel shall submit a brief report that includes the primary purpose for the travel, the key issues addressed at the event and their relevance to improving instruction or the operations of the school district. This report shall be submitted prior to receiving reimbursement.
5. Documentation for requests for travel reimbursement shall show:
 - a. The dates and individual points of travel, number of miles traveled between such points, and kind of conveyance used;
 - b. If the distance traveled between any given points is greater than the usual route between these points, the reason for the greater distance must be stated;

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- c. The hours of the normal work day and actual hours worked must be shown when requesting meal reimbursement for non-overnight travel;
- d. Original receipts shall be required for all reimbursable expenses, except for meals that qualify for per diem allowances and for parking meters;
- e. Actual vendor receipts for personal credit card charges shall be attached to reimbursement requests. Credit card statements shall not be accepted as documentation of expenses;
- f. Personal charges on a hotel bill shall be deducted and shown on the bill;
- g. When lodging is shared jointly, the fact must be stated on the travel voucher;
- h. Where travel is not by the most economical, usually-traveled route, the employee or Board member reimbursement request shall set forth the details of the route, the expenses actually incurred, the hour of departure, the hour of arrival, and an explanation for the use of costlier travel arrangements;
- i. When travel is authorized in the employee's or Board member's own automobile on a mileage basis, the points between which travel was made and the distance traveled between each place must be shown. A statement as to ownership of the auto or other conveyance used, as well as a certification that liability insurance is in effect, must be documented;
- j. Reimbursement requests must be supported by other receipts as required;
- k. The voucher shall be itemized; and
- l. Reimbursement requests shall be rendered monthly when in excess of \$25. Travel for a single travel event must be reported as soon as possible after the trip.

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6. All outstanding travel vouchers for the school year ending June 30 shall be submitted as soon as possible after June 30 regardless of amount, notwithstanding N.J.A.C. 6A:23A-7.13(e)(12).
7. Travel mileage reimbursement requests of the just completed school year, that are not submitted by July 30 or the date approved by the district for the closing of books, whichever is earlier, for the just completed school year shall not be approved or paid.

N.J.S.A. 18A:11-12 et seq.
N.J.A.C. 6A:23A-5.9; 6A:23A-7 et seq.

Adopted: 08 September 2009
Revised: 24 August 2010

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R 6471 SCHOOL DISTRICT TRAVEL PROCEDURES

M

A. Approval of Travel Expense Reimbursement

The following procedure shall be implemented for all Board of Education staff members and Board members seeking to receive travel expense reimbursement in accordance with the provisions of N.J.A.C. 6A:23A-7 and Policy 6471:

1. All requests for travel must be submitted to the Superintendent of Schools or designee prior to the requested travel date(s) within the timeframe established by the Superintendent for the request to be considered and for submission of the request to the Board for Board approval.
2. The Superintendent may require travel requests be submitted to a Principal, the School Business Administrator/Board Secretary, and/or the staff member's immediate supervisor for preliminary approval before considering such request for submission to the Board.
3. A travel request will not be approved unless it includes the following information:
 - a. Name and dates of event;
 - b. A list of Board members and/or employees to attend either by name or title;
 - c. Estimated cost associated with travel.
 - d. A justification and brief statement that includes the primary purpose for the travel and the key issues that will be addressed at the event and their relevance to improving instruction or the operation of the school district. For training events, whether the training is required for continued employment, continuing education requirements, requirements for State law, or other purpose related to the programs or services currently being delivered or soon to be implemented in the school district, or related to district operations;

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- e. Account number and funding source – Federal, State, private or local:
 - f. In the case of annual events, total attendance, and cost for previous year.
4. The Superintendent of Schools shall review and may approve or deny each request for travel submitted by a school staff member. The Superintendent's signature designating approval is required on each request from school staff members for travel expenses prior to submission to the Board for approval.
- a. The School Business Administrator/Board Secretary shall review all requests for school staff member travel either before or after the Superintendent's approval and prior to submission to the Board for Board approval. The School Business Administrator/Board Secretary or designee will determine if the expenses as outlined in the request are in compliance with N.J.S.A. 18A:11-12, N.J.A.C. 6A:23A-7, the current State travel payment guidelines established by the Department of the Treasury, and the current guidelines established by the Federal Office of Management and Budget.
 - b. If the travel request for a school staff member is approved by the Superintendent of Schools and if the requested travel expenses are in compliance with the guidelines outlined above, the travel request will be submitted to the Board of Education for approval.
 - c. If any travel expenses requested by a school staff member are not in compliance with the guidelines outlined above, the School Business Administrator/Board Secretary will return the request to the Superintendent of Schools.
 - (1) The Superintendent may deny the request, approve the request conditioned upon the staff member assuming the financial responsibility for those travel expenses that are not in compliance with the guidelines, or may return the request to the school staff member to be revised in accordance with the guidelines outlined above.

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5. The Superintendent of Schools and/or the School Business Administrator/Board Secretary shall review each travel request submitted by a Board member.
 - a. The School Business Administrator/Board Secretary shall review all requests for Board member travel prior to submission to the Board for Board approval. The School Business Administrator/Board Secretary or designee will determine if the expenses as outlined in the travel request are in compliance with N.J.S.A. 18A:11-12, N.J.A.C. 6A:23A-7, the current State travel payment guidelines established by the Department of the Treasury, and the current guidelines established by the Federal Office of Management and Budget.
 - b. If the requested travel expenses for a Board member are in compliance with the guidelines outlined above, the travel request will be submitted to the Board of Education for approval.
 - c. If any travel expenses requested by a Board member are not in compliance with the guidelines outlined above, the School Business Administrator/Board Secretary will return the request to the Board member to be revised in accordance with the guidelines outlined above.
 6. All travel requests must be approved by a majority of the full voting membership of the Board at a Board meeting unless prior Board approval is not required in accordance with provisions of N.J.A.C. 6A:23A-7 and Board Policy 6471.
- B. Reimbursement of Travel Expenses

All approved travel expenses shall be reimbursed by the Board of Education in accordance with the provisions of N.J.A.C. 6A:23A-7 and Board Policy 6471 implementing the following procedures:

1. The School Business Administrator/Board Secretary or designee shall review all requests for travel expenditure reimbursement submitted for expenses incurred in the course of school district business as to cost and support documentation required by N.J.A.C. 6A:23A-7.

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2. The School Business Administrator/Board Secretary shall not approve or issue payment of travel expenditures or reimbursement requests until all required documentation and information has been submitted to support the payment and shall not approve any travel expenditure that when added to already approved travel expenditures would exceed the Board approved maximum travel expenditure amount for the budget year.
3. The School Business Administrator/Board Secretary shall be responsible for the adequacy of documentation of transactions processed by their staff and the retention of that documentation to permit audits of their records.
4. An employee of the Board, a Board member, or organization, shall not receive payment, either partial or full, for travel and travel-related expenses in advance of the travel pursuant to N.J.S.A. 18A:19-1 et seq. The payment of travel and travel-related expenses shall be made personally by a school district employee or Board member and reimbursed at the conclusion of the travel event. This applies to travel related purchases for which a purchase order is not applicable. This provision does not preclude the district from paying the vendor directly with the proper use of a purchase order (e.g., for registration, airline tickets, hotel).
5. All travel expense reimbursement payments to be made to a school staff member or a Board member will be made to the staff member or Board member in accordance with the district's policy regarding payment of claims.

Adopted: 08 September 2009

Revised: 24 August 2010

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Purchase of Food Supplies

6480 PURCHASE OF FOOD SUPPLIES

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The Board of Education authorizes the purchase of certain food supplies without advertising for bids.

For the purpose of this policy, "food supplies" means only those supplies that are to be eaten or drunk and those substances that may enter into the composition of a food in the operation of a school cafeteria or in a home economics class.

The Board of Education authorizes the School Business Administrator/Board Secretary or designee to ~~may~~ purchase all food supplies in accordance with N.J.S.A. 18A:18A:5 and N.J.A.C. 6A:23A-16.5 et seq

The School Business Administrator/Board Secretary or designee shall obtain price quotations for all food supplies purchased without advertising for bids in accordance with N.J.A.C. 6A:23A-16.5 et seq.

Vendors interested in providing food supplies to the school district shall submit a written request to the School Business Administrator/Board Secretary or designee to receive specifications for food supplies to be purchased by the school district. The School Business Administrator/Board Secretary or designee will maintain a list of interested vendors and will mail specifications for food supplies to those vendors who requested such specifications.

Each time a purchase of food supplies is to be made, the School Business Administrator/Board Secretary or designee shall solicit quotations from interested, eligible vendors. Quotations for fresh or frozen fruits, vegetables, and meats need not be solicited more than once in any two week period.

The School Business Administrator/Board Secretary or designee shall provide definite and u specifications setting governing standards of quality to each eligible vendor from whom quotations are solicited. Specifications for food supplies will indicate a time in which all quotations must be submitted to the school district for consideration.

All quotations from interested, eligible vendors will be evaluated by the School Business Administrator/Board Secretary or designee. Food supplies shall be purchased from the vendor who submits the lowest quotation, except that food supplies may be purchased from another vendor who submitted a quotation when the Business Administrator/Board Secretary or designee can justify the purchase. Any such justification, together with all quotations received, shall be kept in permanent record form, attached to the purchase

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Purchase of Food Supplies

order and available to school officials, the Board, and the State Department of Education for a minimum of three years following the purchase.

The School Business Administrator/Board Secretary or designee may purchase food supplies for any school cafeteria or home economics class to the extent of not more than \$500.00 any month without soliciting quotations provided the School Business Administrator/Board Secretary provides a written signed statement filed with the invoice indicating the reason why quotations could not be obtained. The signed statement filed with the invoice shall be retained for review and audit.

Nothing in this Policy shall prevent the Board from purchasing food supplies by advertising for bids and awarding contracts in accordance with N.J.S.A. 18A:18A-4.

N.J.S.A. 18A:18A-4 et seq.; 18A:18A-5a.(6); 18A:18A-6
N.J.A.C. 6A:23A-16.5

Cross reference: Policy Guide Nos. 6640, 8500

Adopted: 7 October 2003
Revised: 22 March 2016

6510 PAYROLL AUTHORIZATION

M

The most substantial allocation of public funds for the operation of the school district is that made to the employees of the Board of Education for their services. Compensation will be tendered only to persons duly employed by this Board and only for services rendered.

Each Board resolution to employ or reemploy a person will include the person's name, position, and tenure status; the salary or rate of pay the person is to receive, the method of payment, the wage guide from which wages are derived, and the budget category to which the wages are to be charged; the period of time for which employment is authorized; and the school, grade, class or special assignment, as appropriate.

No person may be assigned duties as a substitute employee whose employment has not been approved by the Board. The list to be approved by the Board will include the names of recommended substitutes, the duties to which each may be assigned, and the rate of pay. Substitute authorization will ordinarily be valid for one school year.

The minutes of Board meetings will record personnel actions of the Board, to include, but not be limited to, the appointment, promotion, resignation, retirement, death, discharge, compensation, or leave of absence for each employee. The minutes will also include effective dates for personnel action.

Certain categories of staff members designated by the Superintendent of Schools, shall be required to use a time clock or sign in and out of work daily in order to verify days and hours worked. The service of extra-duty personnel must be certified by the appropriate supervisor before payment can be made.

The Business Administrator or Superintendent is authorized to withhold salary or wages for services not rendered, in accordance with Board policy.

Staff members shall be paid in accordance with the provisions in their collective bargaining agreement and/or in accordance with a schedule provided to all employees prior to the beginning of the contract or school year.

In accordance with N.J.A.C. 6A:23A-5.7, beginning with the 2008-2009 school year, at least once every three years, between the months of September through May, the Superintendent of Schools shall require each district employee to report to a central location(s) and produce picture identification and sign for release of his or her paycheck or direct deposit voucher. The accepted picture identification shall be in the form of a district-issued identification card, valid

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Payroll Authorization

drivers' license, official passport, or other picture identification issued by a State, county, or other local government agency.

The Superintendent of Schools shall designate an appropriately qualified staff member to match the picture identification to the position control roster maintained by the office of personnel or human resources prior to release of the pay check or direct deposit voucher. If the district elects to conduct this payroll verification prior to the district's required implementation of the position control roster pursuant to N.J.A.C. 6A:23A-6.8, the district may use similar and suitable office of personnel or human resources generated listing of employees. Where no appropriate identification can be produced, the School Business Administrator/Board Secretary shall withhold paychecks or stop direct deposits until such time the payee/district employee can produce appropriate identification or until an investigation and corrective action is concluded, as appropriate to the circumstances.

Upon completion of the payroll check distribution verification procedures set forth in this Policy and N.J.A.C. 6A:23A-5.7, the Superintendent of Schools shall submit a certification of compliance, in a form prescribed by the Department of Education, to the Executive County Superintendent. Verification of the district's compliance with the provisions of N.J.A.C. 6A:23A-5.7 will be required as part of the annual audit.

The payroll journal will be certified by the Board Secretary, and the President of the Board, and approved by the Superintendent.

The Treasurer will deposit in special disbursement accounts one warrant for the net amount of the payroll and another warrant for all payroll deductions together with district matching funds and administrative charges.

N.J.S.A. 18A:17-35; 18A:19-9 et seq.
N.J.S.A. 18A:54-20 [vocational districts]
N.J.A.C. 6A:23A-5.7

Adopted: 20 May 1997
Revised: 23 October 2006
Revised: 21 October 2008
Revised: 08 September 2009

6511 DIRECT DEPOSIT

The Board of Education requires the net pay of all school district employees directly deposited in a specific banking institution in a checking account, savings account, or share account designated in writing by the employee in accordance with the provisions of N.J.S.A. 52:14-15h.

The Board may grant an exemption from the mandatory requirements of N.J.S.A. 52:14-15h on such terms and conditions as the Board deems necessary. The Board may grant an exemption for seasonal and temporary employees as the Board deems necessary.

The Board shall make available for those employees required to have their net pay direct deposited in accordance with the provisions of N.J.S.A. 52:14-15h, all information concerning net pay, any accompanying information approved for distribution with net pay, and W-2 forms in accordance with applicable Federal law, only on the Internet with restricted access and policies and procedures to protect the integrity and confidentiality of the information. The Board will continue to complete the payroll check distribution verification process as required in N.J.A.C. 6A:23A-5.7 and Policy 6510.

The Board shall annually adopt a resolution to implement the direct deposit requirements of N.J.S.A. 52:14-15h. The Board approved resolution shall designate the school district's banking institution that shall be used to implement the direct deposit program and shall indicate any employee group or category that are exempt from the Board's direct deposit requirements.

N.J.S.A. 52:14-15h
N.J.A.C. 6A:23A-5.7

Adopted:

6520 PAYROLL DEDUCTIONS

The Board of Education shall, in accordance with law or employee authorization, make deductions from an employee's paycheck and remit the amounts deducted to the agent designated by the employee.

Deductions will routinely be made as required for federal income tax, social security and Medicare; New Jersey income tax, unemployment assistance, and other miscellaneous taxes; and by the New Jersey Division of Pensions.

Deductions may also be made, provided they have been duly authorized by the employee in writing, for contributions on the employee's behalf for:

1. Group insurance plan (18A:16-12). Deductions to be remitted to: Prudential Insurance Company.
2. Summer payment plan (18A:29-3) for repayment in installments over the Summer months. Deductions to be remitted to: Provident Savings Bank of Dunellen.
3. Additional death benefit coverage (18A:66-78). Deductions to be remitted to the Teacher's Pension and Annuity Fund.
4. Additional tax sheltered annuities (18A:66). deductions to be remitted to the Teacher's Pension and Annuity Fund.
5. Bona Fide organizational dues (52:14015.90). Deductions to be remitted to the New Jersey Education Association.
6. Tax sheltered annuities (52:18A:107 et seq). Deductions to be remitted to a maximum of six (6) tax sheltered annuity companies officially approved by the Board of Education.

Contributions shall be made as soon as is reasonably possible after the funds have been deducted from an employee's salary. No contribution shall be made on behalf of an employee until the amount contributed has been deducted from the employee's salary.

The Board will permit the remittance of funds for annuities and mutual funds only to those insurers and custodial accounts authorized by law and expressly approved by this Board. The Board will consider the approval of only those insurers and custodial accounts to which five or more employees of this district indicate an interest in subscribing.

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BOARD OF EDUCATION DUNELLEN

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Payroll Deductions

No Board employee shall withhold or pay to another or purchase or have assigned, other than by court order, any compensation for the services rendered by an employee of this district.

N.J.S.A. 18A:16-9; 18A:66-19; 18A:66-30; 18A:66-78; 18A:66-128

N.J.S.A. 43:3C-9

N.J.S.A. 52:14-15.9; 52:18A-107 et seq.

N.J.A.C. 6A:23-2.8; 6A:23-2.10

N.J.S.A. 54:8A-9

Adopted: 20 May 1997

Revised: 23 February 2004 (citation only)

Revised: 23 October 2006

POLICY

BOARD OF EDUCATION DUNELLEN

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Petty Cash

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6620 PETTY CASH

The Board of Education authorizes the establishment of petty cash funds in accordance with this policy and directs the implementation of appropriate controls to protect the funds from abuse.

The Board hereby establishes imprest petty cash funds in the care of the following persons and in the following amounts:

Custodian(s)	Amount
High School Principal	\$ 100.00
Board Office-School Business Administrator/Superintendent	\$1000.00

Petty cash funds may be disbursed only for the immediate payment of comparatively small expenditures and may not be used to circumvent the regular purchasing procedures of this district. No single petty cash expenditure may exceed \$25.00. Each request for petty cash funds must be in a written document that is signed by the person making the request; supporting documents, if any, will be affixed to the request.

The custodian of a petty cash fund shall submit to the Board Secretary a request for replenishment when the moneys available in the fund have declined to \$10.00 or less of the authorized amount of the fund. The Board Secretary shall prepare a voucher for approval by the Board. The voucher will include disbursement slips to support the amount of the replenishment and its allocation to any account.

The petty cash box must be secured daily. All petty cash funds will be closed out for audit at the end of the school year, and unused funds will be returned to the depository. The custodian of each fund will report to the Board on amounts disbursed from the fund not less than once each year.

N.J.S.A. 2C:21-15
N.J.S.A. 18A:19-13; 18A:23-2
N.J.A.C. 6A:23-2.9 et seq.

Adopted: 20 May 1997
Revised: 2 December 2003

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Petty Cash

R 6620 PETTY CASH

Each petty cash fund established by Policy No. 6620 shall be administered in accordance with the following rules:

A. Authority

1. The custodian of the fund shall assume direct control of the fund or assign direct control to a responsible school employee under their direct supervision. (Hereinafter, "custodian" includes the custodian's designee.)
2. Each deposit and expenditure shall be promptly and accurately recorded.

B. Withdrawal

1. Each person who seeks petty cash funds shall prepare and sign a written request stating the amount requested and the purpose of the funds. The requester will supply receipts or invoices as appropriate to support the request, and all such documents will be attached to the request.
2. The custodian will prepare a disbursement slip for each expenditure that records the date, amount of the expenditure, purpose of the expenditure briefly stated, and the name of the requester.
3. The person who receives the funds will acknowledge receipt by signing the disbursement slip. The disbursement slip will be attached to the request for expenditure.
4. Any check drawn on a petty cash fund shall be in the exact amount of the request submitted for reimbursement.
5. No cash shall be released from the petty cash box to any person as a loan or in change for a personal check, but change may be made from the petty cash box on a direct exchange of funds in equal amounts.
6. No single petty cash expenditure may exceed the amount established by Policy No. 6620. No request for funds or supporting receipts will be divided so as to circumvent this rule.
7. At the end of each school day, the custodian will lock the petty cash box and place it in a secure and locked place, preferably fireproof and stationary.

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Petty Cash

8. The custodian will retain and file each request for funds, with the disbursement slip and supporting documents attached.

C. Reimbursement

1. At the end of each year, the custodian will complete and file with the School Business Administrator/Board Secretary a report on the amounts disbursed from the fund during that period.
2. The School Business Administrator/Board Secretary will prepare a voucher for Board approval in an amount equal to that which was disbursed. All requests for disbursement, supporting documentation, and disbursement slips will be submitted with the request for replenishment.
3. The School Business Administrator/Board Secretary will allocate petty cash expenditures to the various accounts.
4. At the end of each school year, the custodian of the fund will return the petty cash box and checkbook to the School Business Administrator/Board Secretary and complete a final report of the fund for audit.

Adopted: 20 May 1997

Reviewed: 2 December 2003

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BOARD OF EDUCATION DUNELLEN

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Athletic Fund

6630 ATHLETIC FUND

The Board of Education directs the establishment of an athletic fund for the financial administration of the interscholastic athletic program. Moneys may be collected from and disbursed for only the interscholastic athletic program duly approved by the Board of Education.

The Board will provide sufficient funds to support the interscholastic athletic program.

The Coordinator of Athletics shall be responsible for the administration of the athletic fund. The fund will be audited annually and will be administered under appropriate accounting controls. The books of account will include income and expenses separately for each approved athletic program.

All gate receipts must be turned in to the Coordinator of Athletics within twenty-four hour(s) of collection and must be deposited on the day they are received.

All payments for supplies, equipment, and services for the interscholastic athletic program will be made in accordance with established purchasing procedures of the district except that fees for referees, ticket takers, and security personnel and purchases in amounts under \$100.00 will be exempted from those procedures. Disbursements from the athletic fund will be made by check and approved by the Coordinator of Athletics and the principal.

At the conclusion of each athletic season, the athletic director shall, within six weeks, submit a complete inventory of all equipment and supplies to the principal.

N.J.S.A. 18A:19-14; 18A:23-2

Adopted: 20 May 1997

Revised: 23 October 2006

Revised: 6 October 2015

6660 STUDENT ACTIVITY FUND

The Board of Education authorizes the establishment of a student activity account for funds derived from events and activities of pupil organizations and to account for the accumulation of money to pay for pupil group activities. The Board of Education may establish individual student activity accounts within a student activity account.

Student activity funds are maintained under the jurisdiction of the Board of Education and are under the supervision of the School Business Administrator/Board Secretary.

Funds collected for a student activity shall be turned into the Business Administrator/Board Secretary and deposited in the bank within twenty-four hours or the next school day after collection. Student activity funds shall be maintained in a secured and locked location prior to being deposited in the bank.

The student activity funds shall be maintained in an interest-bearing bank account separate from all other Board of Education funds and shall be classified by school in the event only a single student activity account is established for all schools in the district.

All student activity fund receipts shall be detailed and recorded by the individual student activity showing the date, source, purpose, and amount. The administrator of the student activity account shall provide a written receipt to the individual student activity advisor or coordinator when any student activity funds are turned in for deposit. A copy of these written receipts shall be maintained by the administrator of the student activity account and shall be traceable to the actual receipts or groups of receipts. All bank deposits shall agree with the copies of the written receipts for all deposits.

All requests for disbursements from the student activity account shall be submitted to the school's administrator of the student activity account and must be supported by a claim, bill, invoice, or written order. All disbursements from the student activity account shall be recorded chronologically by school and individual student activity showing date, vendor, check number, purpose, and amount. All disbursements shall be made by check requiring at least two signatures as authorized and approved by Board of Education resolution.

The student activity account shall be reconciled with the student activity bank account on a monthly basis and if the School Business Administrator designated an administrator of a student activity account, a copy of the reconciliation shall be submitted to the School Business Administrator/Board Secretary for review and approval. The bank account reconciliation shall be completed in accordance with the procedures and requirements

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General Organization Fund

established by the School Business Administrator/Board Secretary. Copies of canceled checks, bank statements, and bank account reconciliations shall be retained for examination by the licensed public school accountant as part of the annual audit required under N.J.S.A. 18A:23-1 et seq. and stated in N.J.A.C. 6A:23A-16.2(i).

Borrowing funds from any student activity account is prohibited. In addition, the Board of Education shall not be responsible for the protection of and the accounting for funds collected by any teacher or pupil for an outside school organization. In addition, the Board of Education shall not approve such funds for deposit in a student activity account.

Any funds accumulated in an individual student activity account that are unexpended or unallocated for use after the student activity is no longer active, discontinuance of the activity or a year after class has graduated shall revert to the school's activity accounts in the same manner as interest earned on the bank account is disbursed.

N.J.S.A. 18A:19-14; 18A:23-2
N.J.A.C. 6A:23A-16.12

N.J.S.A. 18A:19-14; 18A:23-2

Adopted: 20 May 1997
Reviewed: 5 December 2006
Revised: 24 August 2010
Revised: 6 October 2015

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School Funds

R 6660 SCHOOL FUNDS

Advisors and/or others who are in charge of money in the Dunellen High School Student Fund shall adhere to the following procedures:

General Procedures

1. Do not lock money for your organization in your desk, file cabinet, etc. School insurance covers only money locked in the High School main office.
2. Consult the High School Principal or Assistant Principal on any area where you have doubts or a question on what is correct. These two persons are in charge of all high school activities.
3. You must submit a financial report to the Business Office on June 1st--just before the close of the school year.
4. Your final paycheck will be withheld if there is any over expenditure or questions regarding your report.
5. A ledger book will be supplied to you to keep good, accurate records for the year.
6. The school organizations are tax exempt. Do not pay tax on any purchases.

Preparing Deposits

When preparing deposits, a Dunellen High School Activities form must be completed.

Deposits

After completing the Activities Form, the Principal must sign this form and then the deposit should be brought to the Board Secretary's office by the advisor, unless someone from the Board Office comes over to collect it. A student may not take the funds to the Board Office.

Receipts

A receipt is given by the Board Secretary's Office for all money deposited. Once the deposit is made the Board of Education will send a receipt to the advisor. A receipt is given to the advisor after deposits are made.

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School Funds

Withdrawals

In order to withdraw money, the Order for Check from Dunellen High School Fund Form should be completed. Check request should go to Principal for signature. The Principal then forwards it to the Board Office where a check is issued. The check is then returned to the Principal for their signature and they forward same to the person requesting it. Advisor is responsible for mailing of the check. Checks payable to Cash, Petty Cash, Bearer, etc. will not be accepted. Checks should be made payable to an individual or company. Checks may not be made payable to students unless absolutely necessary.

Statement of Balance

A statement of balance is prepared at the end of the month after the bank statement is received. Please send a request to the Principal for account balances. If there are any differences, report them at once to the Board Secretary's office

Auditing of Books

The Dunellen High School Fund Books are audited at the end of each school year by a public accountant selected by the Board of Education to which a final report is made.

Conclusions

When handling someone else's money, especially in school, many complications and implications are involved. The plan outlined is based on what has worked successfully to the advantage of most.

Collections and Drives

School personnel are not to solicit money from individual students or classes unless authorized by the Administration. Fundraising forms must be completed in duplicate by the teacher-advisor and submitted to the Principal for approval. Forms are available in the Principal's office.

Adopted: 20 May 1997

Revised: 5 December 2006

Revised: 6 October 2015

6700 INVESTMENTS

The Board of Education directs the prompt investment at interest of any unencumbered funds available for the discretionary use of the Board. Such funds may be invested in bonds or other obligations of the United States; bonds of those federal agencies in which such investment is permitted by law; the New Jersey Cash Management Fund; bonds or obligations of a county, municipality, or school district; and public depositories located within the boundaries of the State of New Jersey that secure public funds in accordance with statute.

The School Business Administrator/Board Secretary is authorized to invest district funds in accordance with this policy.

Any interest earned on the investment of district funds will be combined with general district revenues.

The Treasurer shall report to the Board on a timely basis the cash in all accounts on deposit and all investment assets. The Secretary shall report to the Board on a timely basis the amount of funds in investments, investment interest earned, and all investment transactions.

N.J.S.A. 17:9-41 et seq.; 17:12B-241
N.J.S.A. 18A:17-34; 18A:20-37; 18A:24-47
N.J.S.A. 40:3-7
N.J.S.A. 40A:5-14; 40A:5-15.1

Adopted: 20 May 1997
Reviewed: 5 December 2006

6740 RESERVE ACCOUNTS

The Board of Education or Board of School Estimate, as appropriate, may at any time establish by Board resolution a capital reserve account, pursuant to N.J.S.A. 18A:21-2 and 3, and 18A:7G-31.

Funds in the capital reserve account shall not be used for current expenses, pursuant to N.J.S.A. 18A:22-8.2, and shall only be used for purposes as outlined in N.J.A.C. 6A:23A-14.1(b). The Board of Education may increase the balance in the capital reserve account by appropriating funds in the annual general fund budget certified for taxes to meet the needs of the Long-Range Facilities Plan (LRFP) that are not met by State support. The balance in the account may also be increased by requesting approval from the Executive County Superintendent, as the Commissioner's designee, to appropriate any excess unreserved general fund balance as calculated in the supporting documentation of the proposed budget into capital reserve in the proposed budget pursuant to N.J.S.A. 18A:7F-7b only when the Board of Education has formally established a capital reserve account and obtained an approved LRFP in accordance with N.J.A.C. 6A:26-2. The Board of Education, at its option, may satisfy the withdrawal approval requirements set forth in N.J.A.C. 6A:23A-14.1(h) in accordance with the procedures as outlined in N.J.A.C. 6A:23A-14.1(d).

The Board of Education may request express approval of the voters for appropriation of additional amounts into the capital reserve in accordance with the procedures as outlined in N.J.A.C. 6A:23A-14.1(e). The Board of Education shall not deposit into a capital reserve account audited excess undesignated, unreserved general fund balance. The Board of Education shall reserve and designate such funds in the subsequent year's budget pursuant to N.J.A.C. 6A:23A-8.5(b). The Board of Education shall maintain an amount of funds in the capital reserve account that does not exceed the amount needed to implement capital projects in a school district's LRFP that are not met by State support.

The Board of Education may withdraw funds from the capital reserve account at any time in accordance with the provisions of N.J.A.C. 6A:23A-14.1(h). However, the Board of Education or Board of School Estimate, as appropriate, may at any time, apply to the Commissioner for approval to withdraw funds from its capital reserve account for uses authorized in N.J.A.C. 6A:23A-14.1(b). The Board of Education or Board of School Estimate, as appropriate, may make a withdrawal pursuant to N.J.A.C. 6A:23A-14.1(i) only upon receipt of written approval of the Commissioner and the Board of Education shall establish to the satisfaction of the Commissioner that an emergent condition exists necessitating an immediate withdrawal of capital reserve account funds.

The Board of Education shall administer and account for the capital reserve account in accordance with the requirements of N.J.A.C. 6A:23A-14.1(j). Funds in capital reserve accounts in existence prior to July 18, 2000 are subject to the Educational Facilities Construction and Financing Act (EFCFA), P.L. 2000, c. 72, and N.J.A.C. 6A:23A-14, and the Board of Education shall only use such funds for the original purpose for which the funds were deposited and as outlined in N.J.A.C. 6A:23A-14.1(k)1. and (k)2.

The Board of Education shall establish, by resolution, a maintenance reserve account in accordance with the provisions of N.J.A.C. 6A:23A-14.2 to be used to implement required maintenance of the school district's facilities. The Board of Education is prohibited from using such funds for routine or capital maintenance and the account shall be established and maintained in accordance with Generally Accepted Accounting Principles (GAAP) and shall be subject to annual audit pursuant to N.J.S.A. 18A:23-1 et seq. The balance in the maintenance reserve account may be increased by appropriating funds in the annual general fund budget certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4 in accordance with the provisions of N.J.A.C. 6A:23A-14.2(d). In any year that maintenance reserve account funds are withdrawn, the Board of Education shall restore any unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, to the maintenance reserve account at year-end.

The Board of Education shall, by resolution, transfer to the general fund on an annual basis any interest earned on the investments in the maintenance reserve account. Such interest may be transferred on a more frequent basis at the discretion of the Board of Education. The Board of Education shall ensure the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the Board of Education shall reserve and designate such excess in the subsequent year's budget.

The Board of Education or Board of School Estimate, as appropriate, may supplement a capital reserve account in accordance with requirements as outlined in N.J.A.C. 6A:23A-14.3. The Board of Education or a Board of School Estimate, as appropriate, may through the adoption of a Board resolution, establish a current expense emergency reserve account, a debt service reserve account, and a tuition adjustment reserve account in accordance with requirements as outlined in N.J.A.C. 6A:23A-14.4.

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All reserve accounts shall be recorded in accordance with GAAP and subject to annual audit. Any capital gains or interest earned shall become part of the reserve account. A separate bank account is not required; however, a separate identity for each reserve account shall be maintained.

N.J.S.A. 18A:7G-31; 18A:21-2

N.J.A.C. 6A:23A-14.1; 6A:23A-14.2; 6A:23A-14.3; 6A:23A-14.4; 6A:23A-14.5

Adopted: 24 August 2010

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R 6740 RESERVE ACCOUNTS

- A. Capital Reserve Account
1. The Board of Education or a Board of School Estimate may, at any time establish by Board resolution a capital reserve account, pursuant to N.J.S.A. 18A:21-2 and 3, and 18A:7G-31.
 2. Funds in the capital reserve account shall not be used for current expenses, pursuant to N.J.S.A. 18A:22-8.2, and shall only be used:
 - a. To implement capital projects in the school district's Long-Range Facilities Plan (LRFP) as required pursuant to N.J.S.A.18A:7G-4(a) and N.J.A.C. 6A:26-2; and
 - b. To augment a capital project funded in whole or part by bond proceeds only when:
 - (1) The original referendum question separately listed the amount and portion of local share (or portion of total costs of a project receiving debt service aid) to be funded by capital reserve pursuant to N.J.A.C. 6A:26-3.7 and 3.12; or
 - (2) Voter or Board of School Estimate approval, as appropriate, was received to augment the original approved question by special appropriation in a Type I school district, by separate question at a special election or through the appropriate line-items and supporting documentation in the base budget at the annual school election pursuant to N.J.A.C. 6A:26-4.4(a)3iii.
 3. The Board of Education may increase the balance in the capital reserve account by:
 - a. Appropriating funds in the annual general fund budget certified for taxes to meet the needs of the LRFP that are not met by State support; or
 - b. Requesting approval from the Executive County Superintendent, as the Commissioner's designee, to appropriate any excess unreserved general fund balance as calculated in the supporting documentation of the proposed budget into capital reserve in the proposed budget

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pursuant to N.J.S.A. 18A:7F-7b only when the Board of Education has:

- (1) Formally established a capital reserve account; and
 - (2) Obtained an approved LRFP in accordance with N.J.A.C. 6A:26-2.
4. The Board of Education, at its option, may satisfy the withdrawal approval requirements set forth in 8. below when funds are deposited into the capital reserve account in the annual budget pursuant to 3.a. and 3.b. above using the designated line item, supporting documentation, and a statement of purpose in the advertised budget. The Board of Education shall include in its statement of purpose:
- a. The amount of the deposit;
 - b. A description of the future capital project and purpose; and
 - c. A statement that "The amount represents expenditures for construction elements or projects that exceed the facilities efficiency standards determined by the Commissioner as necessary to achieve the Core Curriculum Content Standards."
5. The Board of Education may request express approval of the voters for appropriation of additional amounts into the capital reserve by a separate proposal at budget time, or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. The Board of Education may request approval of a Board of School Estimate, if applicable, for appropriation of additional amounts into capital reserve by a separate proposal at budget time or by special resolution. The amount expressly approved by the voters or Board of School Estimate, as applicable, for deposit into a capital reserve may be from surplus or unrestricted local miscellaneous revenue only if such source is delineated in the question and/or special resolution.
6. The Board shall not deposit into a capital reserve account audited excess undesignated, unreserved general fund balance. The Board of Education shall reserve and designate such funds in the subsequent year's budget pursuant to N.J.A.C. 6A:23A-8.5(b).

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7. The Board of Education shall maintain an amount of funds in the capital reserve account that does not exceed the amount needed to implement the capital projects in a school district's LRFP that are not met by State support.
 - a. If the amount in capital reserve exceeds the amount authorized in 7. above, the Board of Education shall withdraw the excess and reserve and designate it in the subsequent year's budget.
 - b. The Board of Education shall ensure that all excess amounts in the capital reserve account identified in the annual audit, required pursuant to N.J.S.A. 18A:23-1 and procedures developed by the Commissioner, are reserved and designated in the subsequent year's budget.
8. The Board of Education may withdraw funds from the capital reserve account at any time as follows:
 - a. By Board resolution for the transfer of funds to the line items in the capital outlay major account/fund to fund pre-development or other pre-application costs associated with architects, lawyers, and construction managers for school facilities projects included in the approved LRFP;
 - (1) Pursuant to N.J.A.C. 6A:26-4.2(a), a Board that used capital reserve for such costs in a capital project funded in part or in whole by bond proceeds has the option to reimburse the general fund from the capital projects fund after approval of the referendum or resolution;
 - b. By Board resolution for the transfer of funds to the line items in the capital outlay major account/fund to fund the local share less any excess costs of a school facilities project as determined in accordance with N.J.A.C. 6A:26-3;
 - c. By Board resolution for the transfer of funds to the line items in the capital outlay major account/fund to fund the total costs, less any excess costs, of another capital project, which would otherwise be eligible for State support, as determined in accordance with N.J.A.C. 6A:26-3;

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- d. By Board resolution for the transfer of funds to the capital projects fund pursuant to N.J.A.C. 6A:26-4, after receiving voter, Board of School Estimate, or Capital Project Review Board approval, as applicable, of the capital reserve use and specific amount in an approved referendum or resolutions pursuant to N.J.A.C. 6A:26-3.7;
- e. By Board resolution after receiving voter, Board of School Estimate, or Capital Project Review Board approval, as applicable, except as authorized in N.J.A.C. 6A:26- 3.12(c), for the transfer of funds to the line items in the capital outlay major account/fund to fund excess costs of a school facilities project and to fund the total costs for other capital projects that would not otherwise be eligible for State support as determined in accordance with N.J.A.C. 6A:26, Educational Facilities:
 - (1) Voter, Board of School Estimate, or Capital Project Review Board approval, as appropriate, may be obtained through the original budget certified for taxes, in which the Board shall include a statement of purpose in the advertised budget, or through a Board of School Estimate's special appropriation process, if appropriate.
 - (2) The Board of Education or Board of School Estimate, as appropriate, shall include in the statement of purpose or special question for the capital project:
 - (a) The total costs;
 - (b) The final eligible costs;
 - (c) The amount requested for withdrawal for excess costs;
 - (d) A description/purpose of the capital project, or portion thereof, which the excess costs will fund; and
 - (e) A statement that "The amount represents expenditures for construction elements or projects that exceed the facilities efficiency standards

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determined by the Commissioner as necessary to achieve the Core Curriculum Content Standards."

- (3) If requesting a withdrawal for multiple capital projects, the Board of Education or Board of School Estimate, as appropriate, shall include in the statement of purpose or special question the required information identified in 8.e.(1) and (2) above separately for each individual capital project.
- (4) The Board of Education or Board of School Estimate, as appropriate, shall ensure that the amount(s) approved by the voters, Board of School Estimate, or Capital Project Review Board, as appropriate, are used exclusively for the purpose or purposes contained in the associated statement or question.
- (5) For any approved amounts that remain unexpended or unencumbered at the end of the school year, the Board of Education or Board of School Estimate, as appropriate, shall:
 - (a) Return such funds to the capital reserve account;
 - (b) Anticipate such funds as part of the designated general fund balance of the subsequent school year budget; or
 - (c) Reserve and designate such funds in the second subsequent school year budget;
- f. By Board resolution and after receiving Commissioner approval in accordance with N.J.A.C. 6A:26-3.13, and voter, Board of School Estimate, or Capital Project Review Board approval, as appropriate, pursuant to 3.b. above and N.J.A.C. 6A:23A-14.1, for the transfer of funds to the line items in the capital outlay major account/fund for the purchase of land; or
- g. By Board resolution for the transfer of funds to the debt service account for the purpose of offsetting locally funded principal and interest payments for bonded projects that are included in the school district's LRFP.

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9. Notwithstanding 8. above, the Board of Education or Board of School Estimate, as appropriate, may at any time, apply to the Commissioner for approval to withdraw funds from its capital reserve account for uses authorized in 2. above. The Board of Education or Board of School Estimate, as appropriate, may make a withdrawal pursuant to N.J.A.C. 6A:23A-14.1 only upon receipt of written approval of the Commissioner. To obtain the Commissioner's approval, the Board of Education shall establish to the satisfaction of the Commissioner that an emergent condition exists necessitating an immediate withdrawal of capital reserve account funds.
10. The Board of Education shall administer and account for the capital reserve account as follows:
 - a. The Board shall establish and maintain the capital reserve account in accordance with Generally Accepted Accounting Principles (GAAP), and shall be subject to annual audit pursuant to N.J.S.A. 18A:23-1 et seq.;
 - b. If the cost to complete an approved school facilities project not funded in whole or part by school bonds exceeds the local share less excess costs, those costs up to ten percent above the local share less excess costs may be withdrawn from capital reserve funds in accordance with 8.a. above;
 - c. The Board shall transfer to the capital projects account, and account for separately with the corresponding grant, any funds withdrawn for the local share of a school facilities project that is not using school bonds or loan bonds for all or part of the local share that received a grant pursuant to N.J.S.A. 18A:7G-15. For any unexpended transferred capital reserve funds remaining after completion of such school facilities projects, the Board shall:
 - (1) Return such funds to the capital reserve account;
 - (2) Anticipate such funds as part of the designated general fund balance of the subsequent school year's budget; or
 - (3) Reserve and designate any unexpended transferred capital reserve funds in the second subsequent year's budget for tax relief.

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- d. Pursuant to N.J.S.A. 18A:21-3, the Board of Education shall increase the capital reserve account by the earnings attributable to the investment of the account's assets, and;
 - (1) Anticipate as miscellaneous income any investment income included in the original annual general fund budget certified for taxes; and
 - (2) Include any investment earnings in the maximum amount of capital reserve permitted in 7. above.
 - e. The Board of Education shall establish a separate account in the general fund for bookkeeping purposes only in order to account for increases to and withdrawals from the capital reserve account and its balance. The Board of Education shall record a capital reserve account on the annual audit's general fund balance sheet as follows:
 - (1) Debit: Capital Reserve Account; and
 - (2) Credit: Reserved Fund Balance--Capital Reserve Account.
11. Funds in capital reserve accounts in existence prior to July 18, 2000 are subject to the Educational Facilities Construction and Financing Act (EFCFA), P.L. 2000, c. 72, and N.J.A.C. 6A:23A-14, and the Board of Education shall only use such funds for the original purpose for which the funds were deposited.
- a. If the original purpose is outside the scope of the Board's approved LRFP, the Board of Education shall account for such funds separately in the capital reserve fund and appropriate the funds as revenue for such purposes in the annual budget certified for taxes. The Board of Education shall restore to the capital reserve account for use pursuant to N.J.A.C. 6A:23A-14 any unexpended capital outlay appropriations up to the amount of such capital reserve funds appropriated. Expenditures shall be charged first to unrestricted capital outlay fund sources with capital reserve account appropriations expended last. The Board of Education shall not deposit any additional funds into the capital reserve account pursuant to 3. through 6. above for such pre-July 18, 2000 purposes.

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- b. If the original purpose is within the scope of the school district's approved LRFP, the Board of Education shall make withdrawals pursuant to 8. above, except that if voter, Board of School Estimate or Capital Project Review Board, as appropriate, approval of excess costs or another capital project was obtained when the funds were deposited into the capital reserve account, the Board, by such approval, shall be deemed to have satisfied the requirement for approval of excess costs or other capital projects in 8.b. above.

B. Maintenance Reserve Account

1. The Board of Education shall establish, by resolution, a maintenance reserve account to be used to implement required maintenance of the school district's facilities. The Board of Education is prohibited from using such funds for routine or capital maintenance.
2. The Board of Education shall establish and maintain the maintenance reserve account in accordance with GAAP, and such account shall be subject to annual audit pursuant to N.J.S.A. 18A:23-1 et seq.
3. The Board of Education or Board of School Estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.
4. The Board of Education or Board of School Estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.
 - a. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations. The Board of Education or Board of School Estimate, as appropriate, shall not transfer such funds to any other line-item account.
5. In any year that maintenance reserve account funds are withdrawn, the Board of Education shall restore any unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, to the maintenance reserve account at year-end.

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6. The Board of Education shall, by resolution, transfer to the general fund on an annual basis any interest earned on the investments in the maintenance reserve account. Such interest may be transferred on a more frequent basis at the discretion of the Board of Education.
 7. The Board of Education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the Board of Education shall reserve and designate such excess in the subsequent year's budget.
- C. Supplementation of Capital Reserve and Maintenance Reserve Accounts
1. The Board of Education or Board of School Estimate, as appropriate, may supplement a capital reserve account through a transfer by Board resolution of any unanticipated revenue and/or unexpended line-item appropriation amounts anticipated at year end for withdrawal in subsequent school years. Any such transfer resolution shall be adopted by the Board no earlier than June 1 and no later than June 30 of the respective school year.
 2. The Board of Education or Board of School Estimate, as appropriate, may supplement a maintenance reserve account through a transfer by Board resolution of any unanticipated revenue and/or unexpended line-item appropriation amounts anticipated at year end, for withdrawal in subsequent school years. Any such transfer resolution shall be adopted by the Board no earlier than June 1 and no later than June 30 of the respective school year.
- D. Establishment of Other Reserve Accounts
1. The Board of Education or a Board of School Estimate, as appropriate, may through the adoption of a Board resolution establish the following reserve accounts:
 - a. Current Expense Emergency Reserve Account.
 - (1) The funds in the reserve shall be used to finance unanticipated general fund current expense costs required for T&E. For the purpose of the emergency reserve account "unanticipated" shall mean reasonably

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unforeseeable and shall not include additional costs caused by poor planning or error.

- (2) The account shall not exceed \$250,000 or one percent of the school district's general fund budget as certified for taxes up to a maximum of \$1,000,000, whichever is greater.
 - (3) The Board of Education may appropriate funds to establish or supplement the reserve in the school district's annual budget or through a transfer by Board resolution of any unanticipated revenue and/or unexpended line-item appropriation amounts anticipated at year end. Any such transfer resolution shall be adopted by the Board no earlier than June 1 and no later than June 30 of the respective school year.
 - (4) Withdrawals from the reserve shall require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent, for which the district did not receive an automatic adjustment for health care costs pursuant to N.J.A.C. 6A:23A-11.4. Total health care costs include medical insurance and prescription drug insurance costs.
- b. Debt service reserve account in the debt service fund for proceeds from the sale of school district property. For the purposes of the debt service reserve account "property" shall mean land, buildings, and other property that was incidental to the sale of land or a building. The funds in the reserve shall be used by the district first to reduce the outstanding principal amount at the earliest call date or to annually reduce the debt service principal payments. The funds may be used for any outstanding debt obligation or debt obligations of the school district. The reserve shall be liquidated within the lesser of five years from its inception or the remaining term on the obligations. Any remaining balance shall be used for tax relief.
- c. Tuition adjustment reserve account in the general fund for up to ten percent of the estimated tuition cost in the contract year for an anticipated tuition adjustment in the third year following the contract year. In such case, the Board of Education shall:

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- (1) Establish the tuition adjustment reserve account at June 30 by Board resolution;
- (2) Make full appropriation of the reserve for the tuition adjustment in the third year following the contract year;
- (3) Exclude from the cap calculation the budgeted fund balance and appropriation of the tuition adjustment reserve in the third year following the contract year for such tuition adjustments; and
- (4) Transfer to the general fund, by Board resolution, any interest earned on the investments in a tuition adjustment reserve account on an annual basis. Such transfer may be made on a more frequent basis at the discretion of the Board of Education.

E. Reserve Accounts Recorded in Accordance with GAAP

1. All reserve accounts shall be recorded in accordance with GAAP and subject to annual audit. Any capital gains or interest earned shall become part of the reserve account. A separate bank account is not required; however, a separate identity for each reserve account shall be maintained.

Adopted: 24 August 2010

6810 FINANCIAL OBJECTIVES

The Board of Education recognizes its responsibility to the taxpayers of the district and the State to expend public moneys wisely and prudently for the maintenance of a thorough and efficient system of public education and to institute appropriate controls and accounting procedures.

The Board shall use accounting and reporting directives as prepared, published and distributed by the Commissioner of Education in addition to any books, materials or bulletins, for the guidance of school officials in establishing and maintaining the double entry bookkeeping and accounting system mandated in N.J.A.C. 6A:23-2.1.

The Board shall develop a system of accounting and reporting objectives that make it possible to present fairly and with full disclosure the funds and activities of the district and to determine and demonstrate compliance with finance-related legal and contractual matters. The Board shall develop an accounting system that is organized and operated on a fund basis and shall report governmental, proprietary and fiduciary funds in the fund financial statements to the extent they have activities that meet the criteria for using those funds. The Board shall establish and maintain those funds required by law and sound financial administration (only the minimum number of funds consistent with legal and operating requirements should be established) and use the modified accrual or accrual basis of accounting as appropriate in measuring financial position and operating results in accordance with GAAP and regulatory provisions. Transfers shall be recognized in the accounting period in which the interfund receivable and payable arise.

The Board shall adopt an annual budget and include the adopted annual budget in the minutes of the Board. A detailed budget statement, which includes the classification of expenditures by program and function shall be prepared on a fund basis in accordance with N.J.S.A. 18A:22-8 and on a form prescribed by the Commissioner. A detailed budget shall be prepared for each special project, capital project, and Federal or State grant. This budget shall be maintained, along with all authorized revisions, on file in the district Board of Education or Charter School Board of Trustees business office. The Board shall take appropriate action, as necessary, to maintain a balanced budget.

The Board shall ensure the accounting system provides the basis for appropriate budgetary control, and that budgetary comparison schedules are included in the appropriate financial statements and schedules for governmental funds in accordance with GAAP.

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Financial Objectives

The Board shall use a common terminology and classification consistently throughout the budget, the accounts, and the financial reports of each fund, and shall adopt a chart of accounts prepared in conformity with N.J.A.C. 6A:23-2.2(g)1.

N.J.S.A. 18A:4-14; 18A:4-14.1;
18A:18A-1 et seq.; 18A:19-1 et seq.;
18A:22-7 et seq.
N.J.A.C. 6A:23-2.2 et seq.

Adopted: 20 May 1997
Revised: 19 December 2006

R 6810 FINANCIAL OBJECTIVES

The Board of Education recognizes its responsibility to the taxpayers of the district to be sure that public moneys expended by the school district are utilized for the furtherance of pupil education in a manner that will insure full value to the taxpayers, and that adequate constraints and records are established to insure that end.

The Board by law holds the authority to fix the budget, approve bids and pass upon each expenditure of the district.

To meet the goals of this policy, the Board requires the School Business Administrator/Board Secretary to:

1. Establish sound accounting procedures.
2. Institute effective business practices.
3. Recommend suitable office technology and equipment where necessary.
4. Review the financial operations annually and report to the Board on effectiveness and recommended improvements.

N.J.S.A. 18A:18A-1 et seq.; 19-1 et seq; 22-1 et seq.

Adopted: 20 May 1997

Reviewed: 19 December 2006

6820 FINANCIAL REPORTS

The Board of Education directs the School Business Administrator/Board Secretary and the Treasurer of School Moneys, or designee, to make such accurate and timely reports to county, State, and Federal offices as required by law and rules of the State Board of Education. In addition, the School Business Administrator/Board Secretary and Treasurer, or designee, shall report to the Board on the financial condition of the school district in accordance with law and in the manner and form required by the State Department of Education. There shall be a common terminology and classification system used consistently throughout the budget, the accounts, and the financial reports of each fund. The district will establish and implement an adequate internal control structure and procedures for financial reporting.

The School Business Administrator/Board Secretary shall prepare monthly financial statements, reports of financial condition, operating results, and other pertinent information in accordance with directions issued by the Commissioner of Education, to facilitate management control of financial operations, legislative oversight and, where necessary or desired, for external reporting purposes.

In the event the Board has approved a budget with an expanded coding structure, the School Business Administrator/Board Secretary shall present the financial report in two forms. One form shall use the minimum level chart of accounts established by the State Department of Education and the other shall use the expanded chart of accounts approved by this Board in accordance with Policy No. 6220.

If no line item account has encumbrances and expenditures that in total exceed the line item appropriation in violation of N.J.A.C. 6A:23A-16.10(a), the School Business Administrator/Board Secretary shall so certify to the Board each month. If a violation has occurred, corrective action as outlined in N.J.A.C. 6A:23A-16.10(c)3.i shall be taken by the Board.

The Board of Education, after review of the monthly financial reports and upon consultation with the appropriate district officials, shall certify in the minutes of the Board each month that no fund has been overexpended in violation of N.J.A.C. 6A:23A-16.10(b) and that sufficient funds are available to meet the district's financial obligations for the remainder of the fiscal year. If the Board is unable to make such a certification, the Superintendent of Schools shall initiate the steps outlined in N.J.A.C. 6A:23A-16.10(b) and shall reflect such directive in the minutes of the Board. If the Board makes such certification but one or more Board members vote no to the certification, the Board

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shall provide to the Executive County Superintendent the Board vote, names of the members that voted no, and the reason for the no vote.

If the reports of the School Business Administrator/Board Secretary and the Treasurer differ in cash receipts or expenditures, the School Business Administrator/Board Secretary shall resolve the difference prior to the next meeting of the Board. Any difference that cannot be rectified shall be referred immediately to the Auditor. In the event the School Business Administrator/Board Secretary is more than two months behind in submitting the financial report to the Board pursuant to N.J.S.A. 18A:17-9, the Superintendent of Schools shall report this non-compliance to the Executive County Superintendent.

N.J.S.A. 18A:17-9; 18A:17-36

N.J.S.A. 54:4-75

N.J.A.C. 6A:23A-16.2; 6A:23A-16.9; 6A:23A-16.10

Adopted: 20 May 1997

Revised: 19 December 2006

Revised: 22 May 2012

6830 AUDIT AND COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Board of Education will prepare and publish a Comprehensive Annual Financial Report (CAFR) in accordance with the requirements of N.J.S.A. 18A:23-1 through 18A:23-7 and N.J.A.C. 6A:23A-16.2(i).

The Board shall annually cause an audit to be made of the district's accounts and financial transactions. The audit will be conducted in accordance with law by the public school accountant appointed by the Board. The Board will engage only a licensed public school accountant to conduct the audit in accordance with N.J.S.A. 18A:23-1 et seq. who has an external peer/quality report performed in accordance with the requirements of N.J.A.C. 6A:23A-16.2(i).

The audit shall include test measures to assure that documentation prepared for income tax purposes complies fully with the requirements of Federal and State laws and regulations regarding the compensation which is required to be reported and the requirements of N.J.A.C. 6A:23A-4.2 and 6A:23A-4.3.

The Board Secretary will receive the audit report and recommendations of the public school accountant and prepare or have prepared a synopsis or a summary of the annual audit and recommendations prior to the holding of the Board meeting where the Board will take action on the report. Copies of the synopsis or summary will be available for distribution to interested parties at the meeting.

Within thirty days of the receipt of the audit report, the Board will, at a regularly scheduled public meeting, cause the recommendations of the public school accountant to be read and discussed and the discussion duly noted in the minutes of the Board meeting.

The Board will implement the audit recommendations and report such implementation to the Commissioner.

In the event the district has repeat audit findings in the Auditor's Management Report submitted with the CAFR in any year shall, within thirty days of the CAFR submission, submit to the Executive County Superintendent or State fiscal monitor, as applicable, a specific corrective action plan for addressing the repeat audit findings in accordance with the provisions of N.J.A.C. 6A:23A-4.4.

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The Board directs the Superintendent and other appropriate district officers and employees to cooperate fully with the public school accountant and to keep faithfully such records and reports as will assist in the audit process.

N.J.S.A. 18A:23-1; 18A:23-2; 18A:23-2.1; 18A:23-3; 18A:23-4;
18A:23-5; 18A:23-8
N.J.A.C. 6A:23A-4.2; 6A:23A-4.3

Revised: 2 December 2003
Reviewed: 19 December 2006
Revised: 08 September 2009
Revised: 11 January 2011
Revised: 22 May 2012

6831 WITHHOLDING OR RECOVERING STATE AID

In the event the New Jersey Department of Education identifies ineffective or inefficient expenditure(s) by any school district, including, but not limited to the practices prohibited in N.J.A.C. 6A:23A-5.2 through 5.9, the Commissioner shall, except as otherwise provided in N.J.A.C. 6A:23A-5.1(h) provide the school district the opportunity to be heard as to why the amount of the ineffective or inefficient expenditure(s) shall not be withheld from State aid or refunded to the Department of Education.

The proceeding shall be instituted by an Order to Show Cause filed by the petitioner. The filing shall include a statement of factual findings along with a letter memorandum setting forth the basis for the position that the expenditure(s) was ineffective or inefficient. The respondent(s) to whom the order is directed shall file, within fifteen days, a response to the letter memorandum and an answer that meets the filing, service, and format requirements for answers as set forth in N.J.A.C. 6A:3, Controversies and Disputes. The petitioner may file a reply to the response within ten days.

Upon review of the filings, the Commissioner may decide to hear the matter directly pursuant to N.J.S.A. 52:14F-8 or refer the matter to the Office of Administrative Law. If the Commissioner decides to transmit the matter to the Office of Administrative Law, such transmission shall be done on an expedited basis. If the Commissioner is hearing the matter directly, upon receipt of the filings set forth above, or upon expiration of the time for their submission, the Commissioner shall review the total record before him or her and render a written decision. The Commissioner's decision shall include a determination of whether the expenditure was ineffective or inefficient and, if so, the amount of funds to be withheld from State aid or refunded by the district.

Nothing shall preclude the Commissioner from immediately and summarily withholding State aid, consistent with N.J.S.A. 18A:55-2, if, at any time, it is determined that the fiscal practices, actions, or expenditures of a school official, Board member, Board, or any other party under the Commissioner's jurisdiction are in violation of any statute, regulation, rule, or directive of the State Board of Education or Commissioner of Education.

N.J.A.C. 6A:23A-5.1

Adopted: 21 October 2008

6832 CONDITIONS OF RECEIVING STATE AID

The school district, as a condition of receiving State Aid, will comply with the standards set forth at N.J.S.A. 18A:55-3 and the requirements set forth in N.J.A.C. 6A:23A-6 concerning nepotism, contributions to Board members and contract awards, and the internal control requirements in N.J.A.C. 6A:23A-6.

In addition, in accordance with the provisions of N.J.A.C. 6A:23A-6.1, the school district shall be required to examine, no less than once every three years, all available group options for every insurance policy held by the district, including the self-insurance plan administered by the New Jersey School Boards Association (NJSBA) Insurance Group on behalf of districts, and the district shall participate in the most cost-effective plan. This examination shall include the review of annual claims data and other experience rating information, as applicable.

The district shall also: take steps to maximize participation in the Federal Universal Service Program (E-rate) and the ACT telecommunications program offered through the New Jersey School Business Officials; participate in the Alliance for Competitive Energy Services (ACES) Program offered through NJSBA, unless the school district is able to demonstrate to the Commissioner of Education that it receives goods or services at a cost less than or equal to the cost achieved by participants of the program based on an analysis of the prior two years; and take appropriate steps to maximize the local public school district's participation in the Special Education Medicaid Initiative (SEMI) Program pursuant to N.J.A.C. 6A:23A-5.3.

The district shall refinance all outstanding debt in accordance with the provisions of N.J.S.A. 18A:24-61.1 et seq. for which a three percent net present value savings threshold is achievable. This refinance provision of N.J.A.C. 6A:23A-6.1(b)5 shall also be monitored by the Executive County Superintendent or State Monitor, if applicable, pursuant to N.J.A.C. 6A:23A-9.11.

N.J.S.A. 18A:55-3
N.J.A.C. 6A:23A-6.1

Adopted: 08 September 2009