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Federal Funds

6110 FEDERAL FUNDS

The school district will make application for federal funds where appropriate and it is eligible to do so. Acceptance of said funds shall not be contrary to policies of the Board of Education.

The budget shall include amounts anticipated to be received from federal sources and a listing of activities describing the spending plan.

As additional amounts become available during the year, it is expected that additional projects will be recommended to the Board and with its approval, added to the budget.

No application shall be made for federal funds for any new program unless the program and the application have received prior approval of the Board.

N.J.S.A. 18A:59-1; 18A:59-3

First Reading:	March 12, 2001
Second Reading:	March 19, 2001
Adopted:	April 2, 2001

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).

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).

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

First Reading: March 22, 2010  
Second Reading: April 19, 2010  
Adopted: April 19, 2010

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State Funds

6120 STATE FUNDS

To the extent that it has any discretion under law, the Board of Education, with the recommendation of the Superintendent, will attempt to maximize the amount of State funds received by the school district.

N.J.S.A. 18A:58-7.1; 18A:58-7.2; 18A:58-11; 18A:58-33.6 through 33.21;  
18A:58-37.1 through 37.7-7  
N.J.A.C. 6:8-4.9

First Reading: March 12, 2001  
Second Reading: March 19, 2001  
Adopted: April 2, 2001

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Tax Revenues

6141 TAX REVENUES

The Board Secretary shall request the Municipal Treasurers to transfer tax revenues in anticipation of district expenditures in accordance with law and an annual schedule of transfer approved annually by this Board of Education.

N.J.S.A. 18A:17-34  
N.J.S.A. 54:4-75

First Reading:	March 12, 2001
Second Reading:	March 19, 2001
Adopted:	April 2, 2001

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Tuition Income

6150 TUITION INCOME

The Board of Education shall charge and assess tuition for attendance in the school district by pupils not entitled to receive a free public education in this school district and whose enrollment has been approved by the Board. Tuition rates will be determined, charged and paid in accordance with N.J.A.C. 6A:23-3.1 et. seq.

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

The certified School Business Administrator/Board Secretary shall be responsible for the assessment and collection of tuition. Tuition assessment and billing will be made in accordance with N.J.A.C. 6A:23-3.1 et. seq.

The 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:23-3.1(f)5.

N.J.S.A. 18A:38-3; 18A:38-19; 18A:46-21  
N.J.A.C. 6A:23-3.1 et. seq. through 3.4 et. seq.; 6A:14-7.8

First Reading: October 7, 2002  
Second Reading: October 21, 2002  
Adopted: October 21, 2002

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Soliciting and Approval of  
Grants from Private Sources

6160 SOLICITING AND APPROVAL OF GRANTS FROM PRIVATE SOURCES

The Board of Education shall seek financial assistance for such proposals that further the school district's mission. Such activities include, but are not limited to, innovative projects, feasibility studies, strategic planning research and development. Any such activity shall:

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.

Where the grant is to fund a new program, the program must receive prior approval of the Board before the grant application is submitted. All grant proposals must be approved by the Board before being submitted to the funding agency. The Superintendent shall establish regulations for the processing of proposal ideas throughout the district.

First Reading: March 12, 2001  
Second Reading: March 19, 2001  
Adopted: April 2, 2001



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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 school district.

Accordingly, the Board directs the certified School Business Administrator 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 with the Board of School Estimate 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.

First Reading: March 12, 2001  
Second Reading: March 19, 2001  
Adopted: April 2, 2001

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Budget Preparation  
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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 provide a thorough and efficient education to maintain school district facilities, and to honor continuing obligations of the district.

The budget shall be in accord with statutory and regulatory mandates of the federal government, State legislature, State Board of Education and the South Orange-Maplewood Board of Education. The budget shall provide sufficient resources for curriculum and instruction that shall be designed and delivered in such a way that all students will have the opportunity to achieve the knowledge and skills as defined by the Core Curriculum Content Standards.

The Board shall prepare and maintain a budget in which budgeted anticipated revenues and fund balances equal budgeted appropriations. Those expenses reasonably required to provide a thorough and efficient educational program shall be approved for the budget.

The Board will submit its proposed budget to the County Superintendent, in the authorized budget format, as required by law. At a minimum, the budget shall be prepared on a fund basis and shall conform to the outline as contained in Appendix A of the Uniform Minimum Chart of Accounts (Handbook 2R2) for New Jersey Public Schools. The Board may approve an expanded coding structure to provide additional information and allow more efficient management of district resources. Unreserved fund balance/surplus remaining from the previous school year may be appropriated when developing the next year's budget to reduce the amount of local taxes required to support the budget. Unreserved fund balance/surplus may also be appropriated during the school year for unforeseen and/or emergency expenditures. Said appropriations will be in accordance with state statutes and Department of Education regulations.

In order to allow adequate time for the preparation and review of the proposed budget, the Board directs the certified School Business Administrator to present to the Board all available information associated with the budget. 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 and with providing the resources needed to deliver the approved district curriculum. Budgetary curriculum priorities will be based on data regarding student achievement. Budget proposals will be considered based upon priorities to be accomplished for subsequent years and on the needs identified through the district's planning process.

The budget shall be prepared in accordance with the annual budget statement and supporting documentation as prescribed by the Commissioner of Education. The budget revenue and appropriations shall be itemized as required in the budget statement and shall be readily understandable. The budget statement shall contain the following information:

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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 for the preceding school year, the amount available for the current school year as of the date specified by the New Jersey Department of Education of the current school year, and the amount anticipated to be available for the ensuing school year in the categories designated by the New Jersey Department of Education and such other categories as determined by the Board.
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. 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.

N.J.S.A. 18A:22-7 et seq.  
N.J.A.C. 6:20-2A.1 et seq.

First Reading: September 15, 2008  
Second Reading: October 20, 2008  
Adopted: October 20, 2008

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Budget Hearing  
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6230 BUDGET HEARING

A public budget hearing shall be conducted in accordance with State law. All reasonable means shall be employed by the Board of Education to present and explain the budget to the community.

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 shall be made available to the public.

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 the Board of School Estimate 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

First Reading: March 12, 2001  
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Purchases Subject to Bid

6320 PURCHASES SUBJECT TO BID

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 fiscal year exceeds the bid threshold established by law. Whenever possible, purchases will be aggregated; purchases may not intentionally be divided to avoid the requirements for competitive bidding.

Bid specifications will be prepared by the Purchasing Agent, who shall be appointed by the Board. 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 Purchasing Agent is authorized to advertise for bids in accordance with law without the prior approval of the Board. Records of advertisements will be kept in detail sufficient to show that a reasonable number of qualified vendors were invited to bid.

Bids may be opened publicly by the Purchasing Agent 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 responsible bidder who submits the lowest conforming bid, except that the Board may choose to reject all bids, to re-advertise, or to purchase under a state contract. Whenever two or more bids are the lowest bids submitted by responsible bidders, the Board, upon recommendation of the Purchasing Agent, shall determine to which bidder the contract will be awarded.

The bid of a vendor who claims, before bids are opened, a mistake or omission in its preparation will be returned unopened, and the vendor shall lose the right to bid. 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.

No contractor shall list a subcontractor in a bid proposal for the contract unless the subcontractor is registered in accordance with the Public Works Contractor Registration Act (PWCRA). All contractors and sub-contractors must be registered at or before the time of the bid submission.

After the bid is submitted, but before the award of the contract, each contractor must submit to the school district the certificates of registration for all subcontractors listed in the bid proposal. Applications for registration shall not be accepted in lieu of the certificate(s) of registration.

N.J.S.A. 18A:18A-1 et seq.  
N.J.A.C.6:20-7.1 et seq.; 6:20-8.1 et seq.; 6:21-15.1 et seq.  
Public Works Contractor Registration Act. L.2003, c.91.

First Reading: November 17, 2003  
Second Reading: January 5, 2004  
Adopted: January 5, 2004

6340 MULTIPLE YEAR CONTRACTS

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

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; 18A:18A-42.1; 18A:39-3  
N.J.A.C. 6:20-8.2

First Reading: March 12, 2001  
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Adopted: April 2, 2001

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 "non-fair and open" contract to any business entity receiving a contract with an anticipated value in excess of \$17,500:

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.

A "non-fair and open" procurement process is one that does not meet the standards defined in N.J.S.A. 19:44A-20.7 as a "fair and open process." "Fair and open" is defined as being:

1. Publicly advertised (either conventionally in newspapers or posted on the district website) in sufficient time (at least ten calendar days) to give notice in advance of the contract, and
2. Awarded under "a process that provides for public solicitation or proposals or qualifications," and
3. Awarded under criteria established in writing by the Board prior to the solicitation of proposals or qualifications, and
4. Publicly opened, and
5. Publicly announced when awarded by the Board.

A PCD form is not required to be submitted by a business entity if the contract is awarded under a "fair and open" process as outlined above. Public bidding and competitive contracting models meet the requirements of a "fair and open" process. In addition, contracts awarded by a lead agency in a cooperative purchasing program or as a State contract are considered awarded under a "fair and open" process and a PCD form is not required.

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. Contracts less than the bid threshold but higher than \$17,500 (a.k.a. "window contracts") fall under PCD requirements, but have special circumstances.

1. If these contracts are awarded as a "fair and open" contract, a PCD form is not required, and the contract must be approved by the Board.
2. If these contracts are awarded as a non-fair and open contract and the contract is in excess of \$17,500, a PCD form is required. If generally authorized by the Board to award these contracts, the School Business Administrator/Board Secretary can award these contracts.

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.

There is a range of goods and services that are exempt from bidding (N.J.S.A. 18A:18A-5 et seq.) which are subject to Chapter 271 (i.e. professional services, perishable food, textbooks, educational and library-media material, proprietary software or software maintenance, child study consultants, etc.). School districts can meet the fair and open requirement by using the "request for qualification" (RFQ) approach to a fair and open process. Using this model, a Board can specify the desired qualifications, establish criteria for, and award open-ended contracts (for terms as allowed by law) based on those proposals, which may or may not include pricing proposals. Orders for specific services would then be placed, as needed, with individual contractors based on price quotations, ability, or availability of specific goods or services. A RFQ does not require an evaluation based on price – it can be based on skills, ability to deliver a certain product, or range and breadth of product line – with price being agreed upon at the end of the evaluation process.

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 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. In this case, using the RFQ approach may be useful.



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Political Contributions

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.

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.  
New Jersey Department of Community Affairs Local Finance Notice – 6/4/07

First Reading:	March 22, 2010
Second Reading:	April 19, 2010
Adopted:	April 19, 2010

THE SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD, NEW JERSEY

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Purchases Budgeted

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 Purchasing Agent, who shall be appointed by the Board, 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 Purchasing Agent 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.

For all contracts that in the aggregate are less than the bid threshold but 15% or more of that amount, and for those contracts that are subject matter enumerated in N.J.S.A. 18A: 18A-5a, except for professional services and work by employees of the Board, the Purchasing Agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award will be made to a vendor whose response is most advantageous, price and other factors considered. The 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.

A contract for extraordinary unspecifiable services in excess of the bid threshold may be awarded when the Purchasing Agent has determined in writing that solicitation of competitive quotations is impracticable and after having made a documented effort to secure competitive quotations. Any such contract shall be awarded by resolution of the Board.

If authorized by Board resolution, all contracts that are in the aggregate less than 15% of the bid threshold may be awarded by the Purchasing Agent without soliciting competitive quotations.

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 most advantageous.

When a purchase order is placed or a contract entered, the Purchasing Agent 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.

N.J.S.A. 18A:18A-1 et seq.; 18A:22-8

N.J.A.C. 6:20-8.1

N.J.S.A. 18:18A-37

First Reading: March 12, 2001

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Adopted: April 22, 2001

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Budget Transfers, Emergency Purchases  
And Overexpenditure of Funds  
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6422 BUDGET TRANSFERS, EMERGENCY PURCHASES  
AND OVEREXPENDITURE OF FUNDS

The Board directs the implementation of such fiscal controls as will insure that public moneys are not disbursed in amounts in excess of the funds provided to this district and that expenditures do not exceed the amount budgeted for each line item account.

Budget Transfers

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

The Board has adopted an expanded chart of accounts pursuant to N.J.A.C. 6A:23-2.2(g)2, and pursuant to N.J.A.C. 6A:23-2.11(a)2, the Board shall approve, by resolution of the Board, budget transfers between line items that exceed the minimum chart of accounts as per N.J.A.C. 6A:23-2.11(a)2.

Emergency Purchases

In the event of emergency, (as defined in N.J.S.A. 18A:18A-7 et. seq.), a purchase order may be authorized by the certified School Business Administrator. An emergency occurs only when the time required for the Board lawfully to convene and take action would endanger life, cause the destruction of property, or seriously disrupt the educational program; it is not intended by this policy that emergencies shall be permitted to occur as the result of inadequate planning or delay. Any such emergency authorization shall be reported to the Board at its next meeting.

Over Expenditure of Funds

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

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

Pursuant to N.J.A.C. 6A:23-2.11(b), when the district anticipates an over-expenditure in the general, capital projects, or debt services funds, the Superintendent will notify the County Superintendent of the projected amount of the anticipated over-expenditure, the reason or reasons for the over-expenditure, and the action being taken by the Board to avoid the over-expenditure. Any such corrective action will be recorded in the Board minutes.

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

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

Cross References: 6210, 6220, 6421, 6820

First Reading: October 7, 2002  
Second Reading: October 21, 2002  
Adopted: October 21, 2002

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;
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.

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Expenditures for Non-Employee Activities, Meals  
and Refreshments

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

First Reading: March 16, 2009  
Second Reading: April 20, 2009  
Adopted: April 20, 2009

6440 COOPERATIVE PURCHASING

The certified School Business Administrator-is hereby authorized to negotiate cooperative 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 into 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 et seq.  
N.J.A.C. 6:20-8.7

First Reading: March 12, 2001  
Second Reading: March 19, 2001  
Adopted: April 2, 2001

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Choice of Vendor

6450 CHOICE OF VENDOR

The Board shall purchase goods and services of the requisite quality at the lowest possible cost and shall invite widespread competition in order to achieve this end. Where all other considerations are equal, however, the Board will exercise a preference for dealing with established local merchants and service providers from within the boundaries of the school district.

The certified School Business Administrator is authorized to place purchase orders with local merchants and providers when their prices and terms are competitive with other vendors. Nothing in this policy shall be deemed to circumvent the requirements of law regarding public purchasing.

N.J.S.A. 18A:6-8; 18A:12-2; 18A:18A-15(b)

First Reading:	March 12, 2001
Second Reading:	March 19, 2001
Adopted:	April 2, 2001



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Payment of Claims

6470 PAYMENT OF CLAIMS

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 certified School Business Administrator 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.

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.

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Payment of Claims

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 pupil organizations. In accordance with N.J.S.A. 18A:19-4.1, the certified School Business Administrator is authorized to approve payment of claims not greater than \$29,000.00, interest on bonds as it becomes due, payments to redeem bonds as they become due, progress payments to contractors in accordance with a contract approved by the Board, and warrants to cover approved payrolls and agency account deposits 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 supported 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 certified School Business Administrator 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, the Board Secretary, Superintendent of Schools, and/or the Treasurer of School Moneys, as appropriate to the district.

N.J.S.A. 18A:17-36; 18A:19-1 et seq.; 18A:22-8.1  
N.J.A.C. 6A:23A-6/10

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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;
  - 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

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- 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.

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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 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.

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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 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 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 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, 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.

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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.

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 of 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.



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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 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 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 School Business Administrator 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 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;

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- 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.
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:
- (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:
- (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:

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

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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 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](http://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.
  - 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).

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- 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
- 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.

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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 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.

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- b. Employees and Board members using their personally-owned telephone for business may request reimbursement, less Federal 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;
  - c. The hours of the normal work day and actual hours worked must be shown when requesting meal reimbursement for non-overnight travel;

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- 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.
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.

First Reading: March 22, 2010  
Second Reading: April 19, 2010  
Adopted: April 19, 2010

6480 PURCHASE OF FOOD SUPPLIES

The Board of Education authorizes the School Business Administrator to purchase certain food supplies without resort to 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

In accordance with N. J.A.C. 6A:23-2.6 et seq., the School Business Administrator may purchase food supplies without advertising for bids. Uniform specifications setting standards of quality shall be given to each interested vendor. The district shall provide as many responsible suppliers as possible with an opportunity to do business with the district. Lists of potential suppliers for various types of foods shall be maintained, and quotations shall be solicited in accordance with N.J.S.A. 18A:18A-4 et seq. Food purchases up to \$250 in any one month may be made without solicitation of quotations provided that the School Business Administrator or designee files a statement indicating the reason why quotations could not be obtained.

Food shall be purchased from the vendor who submits the lowest quotation, except that food may be purchased from another vendor when the School Business Administrator has reason to justify the purchase at a higher price. Any such justification, together with all quotations received, shall be kept in permanent record form, attached to the purchase order and made available upon request to school officials, the Board, and the State Department of Education for a minimum of three years following the purchase. The Board shall offer a hearing to any unsuccessful vendor whose quotation for food supplies is lower than the quotation accepted.

N.J.S.A. 18A:18A-4 et seq.; 18A:18A-5a.(6); 18A:18A-6  
N.J.A.C. 6A:23-2.6

Cross References: 6640, 8500

First Reading: January 6, 2003  
Second Reading January 27, 2003  
Adoption: January 27, 2003

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Payroll Authorization

6510 PAYROLL AUTHORIZATION

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 shall include the person's name, position; the salary or rate of pay the person is to receive, the wage guide from which wages are derived, 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 Board will annually approve lists of persons who may be assigned duties as substitutes. Each list will include the names of potential substitutes, the duties to which each may be assigned, and the rate of pay. Substitute authorization will ordinarily be valid for one year.

The minutes of Board meetings will record all actions of the Board regarding the resignation, retirement, death, discharge, or non-renewal of employees. The record will include the name and position of the employee and the date upon which wages terminate.

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

Regular teaching staff members will be paid in 20 (10 month employees), 22 (11 month employees), or 24 (12 month employees) equal payments.

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 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.

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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.A.C. 6A: 23A-5.7

N.J.S.A. 18A:17-35; 18A:19-9 et seq.

First Reading: March 16, 2009

Second Reading: April 20, 2009

Adopted: April 20, 2009



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6511 Direct Deposit

6511 DIRECT DEPOSIT

The Board of Education may determine to have 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.

If the Board approves a direct deposit program, compliance by an employee shall be mandatory. However, 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.

In the event the Board of Education determines to implement a mandatory direct deposit program in accordance with N.J.S.A. 52:14-15h, 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

First Reading: June 16, 2014  
Second Reading: July 28, 2014  
Adopted: July 28, 2014

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Payroll Deductions

6520 PAYROLL DEDUCTIONS

The Board of Education shall, in accordance with law or employee authorization, make voluntary deductions from an employee's paycheck as requested by the employee 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.

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

Deductions may also be made, provided they have been duly authorized by the employee in writing, for contributions on the employee's behalf for, and/or as required by law or court order :

1. The payment of premiums for group life, accidental death or dismemberment, hospitalization, medical, surgical, major medical, health and accident, and legal insurance plans, N.J.S.A. 18A:16-13;
2. The purchase of United States Government bonds, N.J.S.A. 18A:16-8;
3. The employee's participation in a summer payment plan for payment to the employee in installments over the summer months or by payment upon the death or termination of the employee, if earlier, N.J.S.A. 18A:29-3;
4. Tax sheltered annuities or custodial accounts, N.J.S.A. 18A:66-127;
5. Payments to a credit union, N.J.S.A. 40A:19-17;
6. An approved charitable fund raising campaign, N.J.S.A. 52:14-15.9c;
7. Bona fide organizational dues, N.J.S.A. 52:14-15.9e; and
8. Garnishments.

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The Board upon written request by the employee, shall permit the remittance of funds for annuities and mutual funds only to those insurers and custodial accounts authorized by law and expressly approved by the Board. The Board will consider the approval of only those insurers and custodial accounts to which ten or more employees of this district subscribe. Any change in the amount of remittance must be requested in writing by the employee. The employee is responsible for the monitoring of his/her annuity. The Board has no liability as to the annuity's performance or the amount of contribution by the employee.

An employee who wishes to pay into a tax sheltered annuity or mutual fund offered by a firm not approved by this Board for payroll deductions must make his or her payment individually.

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.S.A. 54:8A-9

N.J.A.C. 6:20-2A.7; 6:20-2A.9

First Reading: March 12, 2001

Second Reading: March 19, 2001

Adopted: April 2, 2001

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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. The Board directs the implementation of appropriate controls to protect the funds from abuse.

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

<u>Custodian(s)</u>	<u>Amount</u>	<u>Maximum Single Expenditure</u>
Certified School Business Administrator/Board Secretary	\$ 1,050	\$ 1,000
Director of Educational Media & Technology	\$ 500	\$ 500

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. 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.

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.

First Reading: October 7, 2002  
Second Reading: October 21, 2002  
Adopted: October 21, 2002

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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 under the auspices of the Principal of Columbia High School. Moneys may be collected from and disbursed for only the interscholastic athletic program duly approved by the Board of Education.

The Principal of Columbia High School and the Athletic Director 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 school office within forty-eight (48) hours of collection and must be deposited on the day they are received.

Purchase orders for goods and services purchased through the athletic fund will subject to approval by the Athletic Director and the Principal. Disbursements from the athletic fund will be made by check and approved by the Athletic Director and the Principal.

Within four weeks of the conclusion of each athletic program, the athletic director shall submit a complete written inventory of all equipment and supplies to the Principal or designee.

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

First Reading:	March 12, 2001
Second Reading:	March 19, 2001
Adopted:	April 2, 2001

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Cafeteria Fund

6640 CAFETERIA FUND

The Board of Education directs that all moneys derived from the operation, maintenance, or sponsorship of the food service facilities of this district shall be deposited in the district's operating account, and shall be administered by the Assistant Board Secretary in the same manner as are other moneys belonging to the district.

The Assistant Board Secretary is authorized to disburse funds in accordance with law.

First Reading:	March 12, 2001
Second Reading:	March 19, 2001
Adopted:	April 2, 2001

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Scholarship Fund

6650 SCHOLARSHIP FUND

In order to administer special funds bequeathed, given or transferred to this district for scholarship purposes, the Board of Education requires each such fund to be deposited in a separate interest bearing bank account carrying the name of the particular scholarship fund.

The High School Principal is authorized to obtain interest for each scholarship fund at the fixed bank rate on such terms as may seem to him or her advisable and to make, execute, and deliver all instruments of assignment and transfer.

Disbursements from a scholarship fund shall be made by the High School Principal in accordance with a schedule having the prior approval of the Board.

N.J.S.A. 18A:71-27

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Student Activities Fund

6660 STUDENT ACTIVITIES FUND

The Board of Education directs the establishment of a student activities fund in each school building for the financial administration of co-curricular activities operated for the benefit of pupils and duly approved by the Board.

The student activities fund will include moneys collected for and dedicated to the purposes of student government, clubs, publications, school trips, the school band and orchestra, and other activities.

The Principal shall be responsible for the administration of the building's student activities fund. The fund will be audited annually and will be administered under appropriate accounting controls. The books of account will record income and expenses separately for each approved co-curricular program.

All payments for supplies, equipment, and services for the co-curricular program will be made in accordance with established purchasing procedures of the district. Purchase orders for goods and services purchased with moneys from the student activities fund will be subject to approval by the Principal. Disbursements will be made by check and only upon the request of a staff advisor and the approval of the Principal.

All moneys accumulated in the account of a specific class or activity will, upon the graduation of that class or the discontinuance of the activity, revert to the student activities fund.

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

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Investments

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.

A certified School Business Administrator is authorized to invest district funds in accordance with this policy and to withdraw district funds from public depositories or sell negotiable instruments owned by the Board before maturity.

Any interest earned on the investment of district funds may be placed in either the General Fund or debt service.

The Treasurer shall report to the Board each month the cash in all accounts on deposit and all investment assets. The Secretary shall report to the Board each month the amount of funds in investments, 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:17-36; 18A:20-37; 18A:24-47  
N.J.S.A. 40:3-7  
N.J.S.A. 40A:5-14; 40A:5-15.1

First Reading: March 12, 2001  
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6740 CAPITAL RESERVE ACCOUNT

On December 1, 1999, the Board established a Capital Reserve Account and subsequently filed a copy of the enabling resolution with the County Superintendent of Schools. Funds in the Capital Reserve Account will only be used to implement capital projects in the district's Long-Range Facilities Plan (LRFP) required pursuant to N.J.S.A. 18A:7G-4(a) and N.J.A.C. 6A:26.2.1 et seq. and may not be used for current expenses pursuant to N.J.S.A. 18A:22-8.2.

The Board may appropriate funds in the district's annual budget to meet the needs of its LRFP not met by State support in accordance with N.J.A.C. 6A:26-9.1. When the district submits the LRFP to the Department of Education the Board may deposit funds into the Capital Reserve Account at any time by Board resolution. This may be completed through the transfer of undesignated, unreserved general fund balance or through the transfer of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. No transfer of undesignated, unreserved fund balance shall be made subject to the provisions of N.J.A.C. 6:19-2.5(b). Audited excess undesignated, unreserved general fund balance shall not be deposited into a Capital Reserve Account and shall be reserved and designated in the subsequent year's budget pursuant to N.J.A.C. 6:19-2.5(c).

The amount of money in the Capital Reserve Account shall not exceed the amount needed to implement the capital projects in the district's LRFP not met by State support. The amount of money in the Account must be adjusted annually in the district's Quality Assurance Annual Report (QAAR) pursuant to N.J.A.C. 6:8-2.1. If the amount in the capital reserve exceeds the maximum amount approved, the district must withdraw the excess and reserve and designate it in the subsequent year's budget. As part of the district's annual audit mandated by N.J.S.A. 18A:23-1, the district's independent auditors will, pursuant to procedures developed by the Commissioner, verify the amount in the Capital Reserve Account at any time during the year does not exceed the maximum permitted amount. All excess amounts in the Capital Reserve Account identified in the annual audit shall be reserved and designated in the subsequent year's budget.

Funds may be withdrawn from the Capital Reserve Account in accordance with N.J.A.C. 6A::26-9.1(e). The district may apply to the Commissioner for approval to withdraw funds from its Capital Reserve Account pursuant to N.J.A.C. 6A:26-9.1(f). To obtain Commissioner approval to withdraw funds, the district shall establish, to the satisfaction of the Commissioner, that an emergent condition exists necessitating an immediate withdrawal of Capital Reserve Account funds. The Capital Reserve Account will be established and held in accordance with Generally Accepted Accounting Principles and is subject to annual audit pursuant to N.J.S.A. 18A:23-1 et seq.

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Capital Reserve Account

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 in accordance with N.J.A.C. 6A:26-9.1(e)1. Funds withdrawn for the local share of a school facilities project not using school bonds or loan bonds for all or part of the local share which received a grant pursuant to N.J.S.A. 18A:7G-15 must be transferred to the capital projects fund and accounted for separately with the corresponding grant. Any unexpended transferred capital reserve funds remaining after completion of such school facilities projects must be reserved and designated in the subsequent year's budget.

The Capital Reserve Account will be increased by the earnings attributable to the investment of the account's assets pursuant to N.J.S.A. 18A:21-3. Anticipated investment income must be included in the original annual general fund budget certified for taxes as miscellaneous income. Investment earnings shall be included in the maximum amount of capital reserve permitted in N.J.A.C. 6A:26-9.1(d).

A separate account shall be established in the general fund for bookkeeping purposes only in order to account for increases to and withdrawal from the Capital Reserve Account and its balance.

Funds in Capital Reserve Accounts in existence prior to July 18, 2000 are subject to Educational Facilities Construction and Financing Act (EFCFA) and N.J.A.C. 6A:26-9.1 et seq., and must be utilized for the original purpose for which the funds were deposited in accordance with N.J.A.C. 6A:26-9.1(h).

N.J.A.C. 6A:26-9.1 et seq.

Cross References: 7100, 7101

First Reading: October 7, 2002

Second Reading: October 21, 2002

Adoption: October 21, 2002

6810 FINANCIAL OBJECTIVES

The Board of Education shall 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 alone is authorized by law to fix the school budget, approve bids, and approve substantial expenditures of district funds. The district shall not incur a deficit.

The certified School Business Administrator shall establish and implement sound accounting practices, institute effective business practices, recommend the acquisition of appropriate accounting equipment, present to the Board accurate and timely fiscal and statistical reports of the district, report annually to the Board on the effectiveness of district financial operations, and recommend improvement in those operations.

The books of account and the classification of expenditures shall be maintained in accordance with rules of the State Board of Education and the standards promulgated by the State Department of Education. Any change in forms, system of accounts, or methods of maintaining the books must be approved by the Board of Education and the State Department of Education.

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. 6:20-2.1

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6820 FINANCIAL REPORTS

The Board of Education directs the Board Secretary and the Treasurer of School Moneys to make such accurate and timely reports to county, State, and federal offices as are required by law and rules of the State Board of Education. In addition, the Board Secretary and Treasurer 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. Financial reports shall use a terminology and classification consistent with the approved budget and the accounts of this district.

The Board Secretary shall furnish each Board member and the Superintendent at least once a month, a summary statement of the line items and the revenues received to date showing:

1. Appropriation name and number;
2. Budget line item appropriated;
3. Budget line item expended to date;
4. Budget line item encumbered to date;
5. Budget line item unencumbered to date;
6. Total current expense funds encumbered to date; and
7. Total current expense funds unencumbered to date.

In the event that the Board has approved a budget with an expanded coding structure, the 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 law, the Board Secretary shall so certify to the Board each month. If one or more line item account has encumbrances and expenditures that in total exceed the line item appropriation, the Board Secretary shall promptly notify the Board so that corrective action may be taken in accordance with State law.

If the reports of the Board Secretary and the Treasurer differ in cash receipts or expenditures, the Board Secretary shall resolve the difference prior to the next meeting of the Board.

N.J.S.A. 18A:17-9; 18A:17-36; 54:4-75  
N.J.A.C. 6:20-2A.2; 6:20-2A.10

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Audit & Comprehensive  
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6830 AUDIT AND COMPREHENSIVE ANNUAL FINANCIAL REPORT

In accordance with N.J.A.C. 6A:23-2.2(i), the Board of Education shall have prepared and publish a Comprehensive Annual Financial Report (CAFR).

The Board of Education 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 and will be completed within four months after the end of the school fiscal year. In accordance with N.J.S.A. 18A:23-1 et seq., the Board will engage only a licensed public school accountant to conduct the audit. In accordance with N.J.A.C. 6A:23-2.2(i)1, the accountant hired shall include a copy of an external peer/quality report in the required audit.

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, including, but not limited to the requirements of N.J.A.C. 6A:23A-4.2, regarding compensation which is required to be reported.

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 meeting which the report will be discussed by the Board. Copies of the summary will be available to members of the public.

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, with 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 the Board 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.

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 et seq.  
N.J.A.C. 6A:23-2.2 et seq., N.J.A.C. 6A:23-2.2

First Reading: March 16, 2009  
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Conditions of Receiving State Aid

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

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Debt Level/Free Balance

6840 DEBT LEVEL/FREE BALANCE

The Board shall continue to maintain its excellent credit standing by keeping both an appropriate level of debt and General Fund unreserved fund balance. The Board shall strive for an appropriate level of debt service that is not to exceed 10% of operating revenues. The district's fund balance should range from a minimum of 3% to a cap of 7.5% of expenditures, or as otherwise provided in statute. The Board shall direct the certified School Business Administrator and/or Director of Finance to provide analysis of debt service and operating funds and report to the Board on a regular basis.

N.J.S.A. 18A: 7F-7  
N.J.A.C. 6:19-2.5

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