

CHAPTER 32
SINKING FUNDS

Authority

Unless otherwise expressly noted, all provisions of this Chapter 32 were adopted by the Commissioner, Department of Community Affairs pursuant to authority delegated at N.J.S.A. 52:27BB-50, 51, 52 and were filed and became effective April 13, 1970, as R.1970 d.40. See: 1 N.J.R. 17(d), 2 N.J.R. 39(a).

Chapter Expiration Date

Chapter 32, Sinking Funds, expires on July 1, 2006.

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SUBCHAPTER 1. GENERAL PROVISIONS

5:32-1.1 Examination

(a) The Director shall examine and audit the books, papers, securities and moneys in the custody of the sinking fund commission of a political subdivision.

(b) Examination and audit shall be made at least once every two years and oftener if the Director deems necessary.

5:32-1.2 Duty of sinking fund commission

(a) A sinking fund commission of a political subdivision shall at the request of the Director produce its books, papers, securities and moneys and all other records pertaining to its business.

(b) The sinking fund commission shall cooperate with the Director and facilitate examination and audit in every way.

5:32-1.3 Recommendations by Director

(a) The Director shall examine the report of audit of a sinking fund commission and may make such recommendations pertaining to the management and administration of the affairs of the sinking fund commission as he finds desirable.

(b) Notice and statement of recommendations shall be filed forthwith with the secretary of the commission.

(c) The secretary shall immediately send a copy of the statement to each member of the commission and to the executive head of the political subdivision.

(d) The secretary shall within 30 days after receipt of the statement of recommendations, report to the Director the action taken by the sinking fund commission.

5:32-1.4 Enforcement of recommendations

If after 45 days following filing of notice and statement or recommendations, the Director may order the sinking fund commission to take such specific steps as he may find necessary and proper to protect the solvency and proper administration of the sinking fund. Orders may be enforced in accordance with N.J.S.A. 52:27BB-50 to 52.

5:32-1.5 Accounting

(a) The Board shall prescribe and enforce a uniform system for the setting up and keeping of sinking fund accounts in political subdivisions.

(b) The Director may at the request of a sinking fund commission install the system of accounts in a political subdivision, and may make such installations on his own motion with or without consent of the sinking fund commission if he finds that sinking fund accounts are not kept in accordance with the uniform system prescribed by the Board.

(c) The cost of installation shall be charged against the political subdivision.

5:32-1.6 Examination of requirements

(a) The Director shall, upon receipt, examine and audit the statement of annual sinking fund requirements of a political subdivision.

(b) The Director shall determine the sufficiency of the amount certified, and shall make such corrections as may be necessary.

(c) After correction or approval the Director shall certify sinking fund requirements at the time and in the manner required by N.J.S.A. 40:3-19.

5:32-1.7 Amortization requirements

(a) The Director shall examine the calculations and tabulations of the conditions of sinking funds as submitted by a sinking fund commission of a political subdivision, and shall determine the sufficiency of the funds for the amortization of bonded debt in accordance with the standards fixed by law.

(b) If the Director finds that the sinking funds are insufficient for such amortization, he shall certify to the sinking

fund commission a statement of the amount required to make good the deficiency and the additional annual requirements to be made to the special sinking fund account as required by N.J.S.A. 40:3-20 and 40:3-24.