

CHAPTER 23**FINANCE AND BUSINESS SERVICES****Authority**

N.J.S.A. 18A:1-1, 18A:4-14, 18A:4-15, 18A:6-27, 18A:17B-12, 18A:7F, 18A:7G, 18A:17-9, 18A:17-10, 18A:17-32, 18A:17-45, 18A:18A-3.1, 18A:18A-4, 18A:18A-5, 18A:18A-7, 18A:18A-13, 18A:18A-40, 18A:19-13, 18A:20-4.2, 18A:21-1, 18A:22-8, 18A:23, 18A:24-10, 18A:29-3, 18A:33-3, 18A:36A-1, 18A:39-19, 18A:46, 18A:54-20.1, 18A:54-29.2, 18A:58-11 and 18A:58-37.1.

Source and Effective Date

R.2001 d.140, effective May 7, 2001.
See: 33 N.J.R. 419(a), 33 N.J.R. 1415(a).

Executive Order No. 66(1978) Expiration Date

Chapter 23, Finance and Business Services, expires on May 7, 2006.

CHAPTER TABLE OF CONTENTS**SUBCHAPTER 1. PURPOSE AND SCOPE**

- 6A:23-1.1 Purpose and scope
- 6A:23-1.2 Definitions

SUBCHAPTER 2. DOUBLE ENTRY BOOKKEEPING AND GAAP ACCOUNTING IN LOCAL SCHOOL DISTRICTS

- 6A:23-2.1 Prescribed system of double-entry bookkeeping and GAAP accounting
- 6A:23-2.2 Principles and directives for accounting and reporting
- 6A:23-2.3 School level budget and financial reporting requirements
- 6A:23-2.4 Conflicts between legal provisions and GAAP
- 6A:23-2.5 Minimum bond requirements for treasurer of school moneys
- 6A:23-2.6 Supplies and equipment
- 6A:23-2.7 Mechanical bookkeeping systems
- 6A:23-2.8 Employee organizational dues
- 6A:23-2.9 Petty cash fund
- 6A:23-2.10 Summer payment plan
- 6A:23-2.11 Budgetary controls and overexpenditure of funds
- 6A:23-2.12 Debt service fund balance
- 6A:23-2.13 Internal service funds
- 6A:23-2.14 Student activity funds
- 6A:23-2.15 School store business practices
- 6A:23-2.16 Dismissal or re-assignment of a school business administrator

SUBCHAPTER 3. TUITION PUBLIC SCHOOLS

- 6A:23-3.1 Method of determining tuition rates for regular public schools
- 6A:23-3.2 Method of determining tuition rate in a new district board of education
- 6A:23-3.3 Method of determining tuition rates for county vocational schools
- 6A:23-3.4 Method of determining tuition rates for county special services schools

SUBCHAPTER 4. TUITION FOR PRIVATE SCHOOLS FOR THE DISABLED

- 6A:23-4.1 Definitions
- 6A:23-4.2 Tuition rate procedures
- 6A:23-4.3 New private schools for the disabled
- 6A:23-4.4 Bookkeeping and accounting

- 6A:23-4.5 Non-allowable costs
- 6A:23-4.6 Surcharge
- 6A:23-4.7 Public school placement restricted working capital fund
- 6A:23-4.8 Calculation of student attendance
- 6A:23-4.9 Audit requirements
- 6A:23-4.10 Appeals
- 6A:23-4.11 Out-of-State approved private schools for the disabled
- 6A:23-4.12 Inspection of records
- 6A:23-4.13 Fiscal monitoring of private schools and corrective action plans
- 6A:23-4.14 Fiscal information
- 6A:23-4.15 Failure to comply with Department directives

SUBCHAPTER 5. STATE AID

- 6A:23-5.1 Emergency aid
- 6A:23-5.2 Method of determining the district of residence
- 6A:23-5.3 Address submission for determining the district of residence

SUBCHAPTER 6. PURCHASE AND LOAN OF TEXTBOOKS

- 6A:23-6.1 Eligibility
- 6A:23-6.2 Responsibility of the district board of education
- 6A:23-6.3 Individual requests
- 6A:23-6.4 Ownership and storage of textbooks
- 6A:23-6.5 Accounting entries
- 6A:23-6.6 Charge for textbook loss or damage

SUBCHAPTER 7. MANAGEMENT OF PUBLIC SCHOOL CONTRACTS

- 6A:23-7.1 Change orders and open-end contracts
- 6A:23-7.2 Bonds
- 6A:23-7.3 Contracts for behind-the-wheel driver education
- 6A:23-7.4 Joint purchasing systems

SUBCHAPTER 1. PURPOSE AND SCOPE**6A:23-1.1 Purpose and scope**

(a) The purpose of this chapter is to ensure sound administrative practices and proper expenditure of funds by a district board of education by providing an orderly and efficient method for conducting board of education support activities. These rules govern essential business services activities that support the educational process and enhance fiscal accountability, encourage more efficient and effective business operations, and ensure a district board of education and the public has access to necessary information to make informed decisions.

(b) This chapter, except for N.J.A.C. 6A:23-4, governs the finance and business services for every district board of education. N.J.A.C. 6A:23-4 governs the finance and business services for private schools for the disabled.

6A:23-1.2 Definitions

The words and terms used in this chapter shall have the following meanings, unless the context clearly indicates otherwise:

“Abbott district” means one of the following 28 urban districts in district factor group A and B specifically identified in the appendix to *Raymond Abbott, et al. v. Fred G. Burke, et al.* decided by the New Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394) as follows: Asbury Park City, Bridgeton City, Burlington City, Camden City, East Orange City, Elizabeth City, Garfield City, Gloucester City, Harrison Town, Hoboken City, Irvington Township, Jersey City, Keansburg Borough, Long Branch City, Millville City, New Brunswick City, Newark City, City of Orange Township, Passaic City, Paterson City, Pemberton Township, Perth Amboy City, Phillipsburg Town, Pleasantville City, Trenton City, Union City, Vineland City, and West New York Town, and the following districts not included above but designated Abbott districts pursuant to P.L. 1999, c.110, Neptune Township and Plainfield, and such other districts as may qualify in the future. Abbott district shall not include a charter school located within any of these districts.

“Abbott V” means the Supreme Court decision in *Abbott v. Burke*, 153 N.J. 480 (1998).

“Accrual” is a basis of accounting that records the financial effects on a district board of education of transactions and other events and circumstances that have cash consequences for the district in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the district.

“Annual audit” is the audit of financial statements and schedules presented in the Comprehensive Annual Financial Report as required by N.J.S.A. 18A:23-1 et seq. The annual audit shall be performed in accordance with standards promulgated by the applicable authoritative or regulatory agencies and established in the documents issued by such agencies. Annual audit also includes an audit of compliance of a district board of education with the types of compliance requirements established by authoritative or regulatory agencies. An annual audit is performed by a public school accountant pursuant to N.J.S.A. 18A:23-8 et seq.

“Balanced budget” means a budget in which budgeted anticipated revenues and fund balances equal budgeted appropriations.

“Bid bond” means a written guarantee, in the form of a certificate, payable to the district board of education, that the bidder, if awarded the contract within such time as may be specified in the invitation to bid, but in no case more than 60 days, unless such bidder has agreed to a longer period, will enter into a contract and will furnish any prescribed performance bond or other security required as a guarantee or indemnification and in default thereof providing payment for the damages suffered by the district board of education as a result of the bidder’s refusing to sign the contract.

“Capital projects fund” means the governmental fund that accounts for financial resources used to acquire or construct major capital facilities (other than those of proprietary funds and fiduciary funds). The source of revenue in this fund is the sale of bonds, the issuance of certificates of participation for a lease purchase agreement or grants received pursuant to N.J.S.A. 18A:7G-15. In the case of a charter school, the source of revenue may be a mortgage. Separate accounting must be used for each capital project.

“Change order” means a lawfully prepared and properly authorized document which directs and authorizes a contractor, consultant or other vendor performing work for or supplying materials and supplies to a district board of education pursuant to a contract to change the work, service or materials to be performed, rendered or furnished from that originally specified or estimated and to correspondingly change the payment due therefor.

“Chart of accounts” means a classification structure for the accounting system that permits the standardization of reported financial data whereby analyses may be performed within and between district boards of education and on a nationwide basis.

“Charter school” means a public school that is operated under a charter granted by the Commissioner, that is independent of the district board of education and that is managed by a board of trustees in accordance with N.J.S.A. 18A:36A-1 et seq. and N.J.A.C. 6A:11.

“Chief school administrator” means the superintendent or administrative principal, or the State district superintendent in the case of a State-operated school district, or lead person in the case of a charter school.

“Commissioner” means the Commissioner of Education or the Commissioner’s designee.

“Comprehensive Annual Financial Report” or “CAFR” means the official annual report of a governmental unit that includes all funds and account groups. The report summarizes the activities and operations performed by all units that constitute the reporting entity. The combined financial position and results of operations are presented as if there were a single operating unit.

“Debt service fund” means a governmental fund that accounts for the accumulation of resources for, and the payment of, general long-term debt, principal and interest.

“Department” means the New Jersey Department of Education.

“District board of education” means the board of education of a local or regional school district, a county special services school district or a county vocational school district, or the State district superintendent in the case of a State-operated school district, and the board of directors of an educational services commissioner or jointure commission.