

**CHAPTER 23
FINANCE AND BUSINESS SERVICES**

Authority

N.J.S.A. 18A:1-1, 18A:4-14, 18A:4-15, 18A:6-27, 18A:7B-12, 18A:7F-1 et seq., 18A:7G-1 et seq., 18A:17-10, 18A:17-32, 18A:17-34, 18A:17-37, 18A:17-45, 18A:18A-1 et seq., 18A:19-1 et seq., 18A:20-1 et seq., 18A:21-1 et seq., 18A:22-1 et seq., 18A:23-1 et seq., 18A:24-1 et seq., 18A:29-3, 18A:33-3, 18A:36A-1 et seq., 18A:36B-8, 18A:38-7.8, 18A:38-7.9, 18A:38-8, 18A:38-19, 18A:38-21, 18A:39-1 et seq., 18A:46-1 et seq., 18A:54-1 et seq., 18A:58-1 et seq., 18A:69-1 et seq.

Source and Effective Date

R.2006 d.361, effective September 8, 2006.
See: 38 N.J.R. 2333(a), 38 N.J.R. 4178(b).

Chapter Expiration Date

Chapter 23, Finance and Business Services, expires on September 8, 2011.

Chapter Historical Note

Subchapter 8, Annual Budget Development, Review and Approval, was adopted as new rules by R.2002 d.253, effective August 5, 2002. See: 34 N.J.R. 1652(a), 34 N.J.R. 2788(a).

Subchapter 9, Financial Operations of Charter Schools, was adopted as R.2004 d.322, effective August 16, 2004. See: 36 N.J.R. 1313(a), 36 N.J.R. 3895(a).

Chapter 23, Finance and Business Services, was readopted as R.2006 d.361, effective September 8, 2006. As a part of R.2006 d.361, Subchapter 4, Tuition for Private Schools for the Disabled, was renamed Tuition for Private Schools for Students with Disabilities, effective October 2, 2006. See: Source and Effective Date. See, also, section annotations.

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

- 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 Transfers during the budget year
- 6A:23-2.12 Budgetary controls and overexpenditure of funds
- 6A:23-2.13 Capital reserve
- 6A:23-2.14 Maintenance reserve
- 6A:23-2.15 Debt service fund balance
- 6A:23-2.16 Internal service funds
- 6A:23-2.17 Student activity funds
- 6A:23-2.18 School store business practices

- 6A:23-2.19 Dismissal or re-assignment of a school business administrator
- 6A:23-2.20 Appeals

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 STUDENTS WITH DISABILITIES

- 6A:23-4.1 Definitions
- 6A:23-4.2 Tuition rate procedures
- 6A:23-4.3 New approved private schools for students with disabilities
- 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 students with disabilities
- 6A:23-4.12 Inspection of records
- 6A:23-4.13 Fiscal monitoring of approved private schools for students with disabilities and corrective action plans
- 6A:23-4.14 Fiscal information
- 6A:23-4.15 Failure to comply with Department directives
- 6A:23-4.16 Sale of assets of an approved private school for students with disabilities

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
- 6A:23-5.4 Early Childhood Program Aid
- 6A:23-5.5 Demonstrably Effective Programs Aid

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 Acceptance of bonds under the Public School Contracts Law
- 6A:23-7.3 Public sale of bonds
- 6A:23-7.4 Contracts for behind-the-wheel driver education
- 6A:23-7.5 Joint purchasing systems
- 6A:23-7.6 Multi-year leasing

SUBCHAPTER 8. ANNUAL BUDGET DEVELOPMENT, REVIEW AND APPROVAL

- 6A:23-8.1 Budget review and approval
- 6A:23-8.2 Administrative cost limits

- 6A:23-8.3 Commissioner to ensure achievement of the Core Curriculum Content Standards
 6A:23-8.4 Capital outlay budget
 6A:23-8.5 Additional spending proposals
 6A:23-8.6 Designation of general fund balances
 6A:23-8.7 Public notice and inspection
 6A:23-8.8 Adjustments to spending growth limitation
 6A:23-8.9 Unused spending authority (banked cap)
 6A:23-8.10 Restoration of budget reductions

SUBCHAPTER 9. FINANCIAL OPERATIONS OF CHARTER SCHOOLS

- 6A:23-9.1 Definitions
 6A:23-9.2 Bookkeeping and accounting for charter schools
 6A:23-9.3 Certification
 6A:23-9.4 Per pupil calculations, notification and caps
 6A:23-9.5 Enrollment counts, payment process and aid adjustments
 6A:23-9.6 Financial requirements
 6A:23-9.7 Public school contract law

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 district 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 that a district board of education and the public has access to necessary information to make informed decisions. The rules also effectuate the provisions of the Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq.

(b) This chapter, except for N.J.A.C. 6A:23-4 and 9 and as otherwise indicated, 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 approved private schools for students with disabilities. N.J.A.C. 6A:23-9 governs the finance and business services for charter school boards of trustees.

Amended by R.2002 d.253, effective August 5, 2002.

See: 34 N.J.R. 1652(a) 34 N.J.R. 2788(a).

In (a), added a third sentence.

Amended by R.2004 d.322, effective August 16, 2004.

See: 36 N.J.R. 1313(a), 36 N.J.R. 3895(a).

In (a), inserted "that" following "ensure" in the second sentence; in (b), inserted "and 9 and as otherwise indicated" following the N.J.A.C. reference in the first sentence, and added the third sentence.

Amended by R.2006 d.361, effective October 2, 2006.

See: 38 N.J.R. 2333(a), 38 N.J.R. 4178(b).

In (a), inserted "district" following "conducting"; and in (b), inserted "approved" and substituted "students with disabilities" 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 as defined at N.J.S.A. 18A:7F-3.

"Accrual" as defined by the National Council on Governmental Accounting Statement, means the basis of accounting that records most transactions of a district board of education when they occur, regardless of when cash is received or disbursed.

"Adjusted for inflation," as defined by N.J.S.A. 18A:7F-5, means indexed by the greater of the CPI or 2.5 percent.

"Administrative cost" means total administrative costs as defined by the Comparative Spending Guide and in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools and the National Center for Education Statistics classifications, as referred to at N.J.A.C. 6A:23-2.2(f)1, and other reporting directives published and distributed by the Commissioner pursuant to N.J.S.A. 18A:4.14 and N.J.A.C. 6A:23-2.

"Advertised per pupil administrative costs" means the per pupil administrative costs as defined by the Comparative Spending Guide and advertised in the school district budget pursuant to N.J.S.A. 18A:22-11.

"A4F" means the form each district board of education is required to use and file with the county board of taxation and other required entities for certification and reporting of school taxes.

"Annual audit" means 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 is 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 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.

"Annual audit program" means the uniform program published and distributed by the Commissioner for each district board of education for preparing the Comprehensive Annual Financial Report pursuant to N.J.A.C. 6A:23-2.2(i).

"Authorized membership of the school board" means the full membership of the district board of education as established pursuant to N.J.S.A. 18A:12.

"Balanced budget" means a budget in which budgeted anticipated revenues and fund balance equal budgeted appropriations.