

**CHAPTER 30
LOCAL FINANCE BOARD**

Authority

N.J.S.A. 52:27BB-10, 52:27BB-30, 52:27BB-32, 52:27D-18, 40A:4-83, 40A:5-38, 40A:14-194, 40A:2-17(B) and 18, 40A:12-6 and P.L. 1998, c.45.

Source and Effective Date

R.2003 d.404, effective September 19, 2003.
See: 35 N.J.R. 2427(a), 35 N.J.R. 4862(b).

Chapter Expiration Date

Chapter 30, Local Finance Board, expires on September 19, 2008.

Chapter Historical Note

Chapter 30, Local Finance Board, was enacted as R.1970 d.40, effective April 13, 1970. See: 1 N.J.R. 17(d), 2 N.J.R. 39(a).

Subchapter 14, Local Public Contracts, was adopted as R.1977 d.128, effective May 20, 1977. See: 8 N.J.R. 371(c), 9 N.J.R. 212(a).

Subchapter 16, Tenants Property Tax Rebate Program, was adopted as R.1977 d.241, effective July 8, 1977. See: 9 N.J.R. 257(c), 9 N.J.R. 357(b).

Former Subchapter 10 and N.J.A.C. 5:30-11.1 through 5:30-11.7 were repealed by R.1979 d.16, effective January 17, 1979. See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

Pursuant to Executive Order No. 66(1978), Chapter 30, Local Finance Board, was readopted as R.1983 d.277, effective June 21, 1983. See: 15 N.J.R. 463(b), 15 N.J.R. 1180(a).

Subchapter 10, Municipal Port Authorities, was adopted as R.1984 d.381, effective September 4, 1984. See: 15 N.J.R. 1204(a), 16 N.J.R. 2357(a).

Pursuant to Executive Order No. 66(1978), Chapter 30, Local Finance Board, was readopted as R.1988 d.350, effective June 29, 1988. See: 20 N.J.R. 1027(a), 20 N.J.R. 1879(a).

Former Subchapter 9, Financial Administration, Subchapter 11, School Bonds, Subchapter 13, Forms, Subchapter 15, Appropriation Caps, and Subchapter 16, Tenants Property Tax Rebate Program, were repealed by R.1990 d.383, effective August 6, 1990. See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Subchapter 14, Local Public Contracts, was repealed and Subchapter 17, Cooperative Pricing and Joint Purchasing Systems, was recodified to N.J.A.C. 5:34-7 by R.1990 d.595, effective December 3, 1990. See: 22 N.J.R. 724(a), 22 N.J.R. 3629(a).

Pursuant to Executive Order No. 66(1978), Chapter 30, Local Finance Board, was readopted as R.1993 d.297, effective May 27, 1993. See: 25 N.J.R. 1630(a), 25 N.J.R. 2688(a).

Subchapter 7, Municipal Budget Local Examination and Approval, was adopted as R.1997 d.146, effective March 17, 1997. See: 28 N.J.R. 5125(a), 29 N.J.R. 870(a).

Subchapter 9, Government Electronic Receipt Acceptance, was adopted as R.1997 d.147, effective March 17, 1997. See: 29 N.J.R. 4(a), 29 N.J.R. 872(a).

Pursuant to Executive Order No. 66(1978), Chapter 30, Local Finance Board, was readopted as R.1998 d.307, effective May 22, 1998. See: 30 N.J.R. 1123(a), 30 N.J.R. 2204(b).

Subchapter 13, Camden Financial Review Board, was adopted as Emergency New Rules, R.1998 d.453, effective August 13, 1998, to expire October 12, 1998. See: 30 N.J.R. 3330(a). The provisions of R.1998 d.453 were readopted as R.1998 d.530, effective October 12, 1998. See: 30 N.J.R. 3330(a), 30 N.J.R. 3938(b).

Subchapter 5, Encumbrance Accounting and Certifications of Availability of Funds, was recodified from N.J.A.C. 5:34-5 and Subchapter 11, Change Orders and Open-End Contracts was recodified from N.J.A.C. 5:34-4 by R.2000 d.485, effective December 4, 2000. See: 32 N.J.R. 3237(a), 32 N.J.R. 4300(a).

Subchapter 14, Emergency Service Volunteer Length of Service Award Program, was adopted as R.2001 d.36, effective January 16, 2001. See: 32 N.J.R. 3683(a), 33 N.J.R. 254(a), 33 N.J.R. 552(a).

Subchapter 15, Accumulated Absence Management and Financing, was adopted as R.2001 d.370, effective October 15, 2001. See: 33 N.J.R. 1509(a), 33 N.J.R. 3676(a).

Subchapter 16, Agency Communications with Local Units, was adopted as R.2002 d.126, effective April 15, 2002. See: 34 N.J.R. 46(a), 34 N.J.R. 1543(a).

Subchapter 9A, Disbursements Without Vendor Certification, was adopted as R.2003 d.158, effective April 21, 2003. See: 34 N.J.R. 2374(a), 35 N.J.R. 1664(a).

Subchapter 17, Electronic Disbursement Controls for Payroll Purposes, was adopted as R.2003 d.205, effective May 19, 2003. See: 34 N.J.R. 2377(a), 35 N.J.R. 2223(a).

Chapter 30, Local Finance Board, was readopted as R.2003 d.404, effective September 19, 2003. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. GENERAL PROVISIONS

- 5:30-1.1 Rules and regulations
- 5:30-1.2 Duties
- 5:30-1.3 Hearings
- 5:30-1.4 Vote
- 5:30-1.5 Advice to director
- 5:30-1.6 Determinations
- 5:30-1.7 Forms; general provisions
- 5:30-1.8 Use of Local Finance Notices
- 5:30-1.9 Use of electronic communications networks
- 5:30-1.10 (Reserved)
- 5:30-1.11 Realized revenue
- 5:30-1.12 through 5:30-1.15 (Reserved)

SUBCHAPTER 2. LOCAL BOND LAW

- 5:30-2.1 Exceptions to debt limitation of N.J.S.A. 40A:2-7
- 5:30-2.2 Automatic waiver of appearance
- 5:30-2.3 Payments for capital improvement
- 5:30-2.4 Form of Notice of Pending Bond Ordinance and Summary publication
- 5:30-2.5 through 5:30-2.7 (Reserved)
- 5:30-2.8 Self-liquidating improvements and extensions
- 5:30-2.9 Submission of electronic proposals for sale of bonds
- 5:30-2.10 Use of financial surety bonds in electronic bond sale auctions
- 5:30-2.11 through 5:30-2.19 (Reserved)

SUBCHAPTER 3. ANNUAL BUDGET

- 5:30-3.1 (Reserved)
- 5:30-3.2 Procedures for adoption of budget
- 5:30-3.3 Examination of budget
- 5:30-3.4 Filing of municipal budget amendments
- 5:30-3.5 Detail in support of current budget appropriation

- 5:30-3.6 Emergency appropriations
- 5:30-3.7 Reserve for pension contributions
- 5:30-3.8 (Reserved)

SUBCHAPTER 4. CAPITAL BUDGETS AND CAPITAL IMPROVEMENT PROGRAMS

- 5:30-4.1 Authority and application
- 5:30-4.2 Definitions
- 5:30-4.3 When required
- 5:30-4.4 Method of adoption
- 5:30-4.5 Forms and content
- 5:30-4.6 Review and certification
- 5:30-4.7 Capital expenditures proscribed
- 5:30-4.8 Director's action
- 5:30-4.9 (Reserved)

SUBCHAPTER 5. CERTIFICATIONS OF AVAILABILITY OF FUNDS, AND ACCOUNTING SYSTEM REQUIREMENTS FOR LOCAL UNITS

- 5:30-5.1 General authority
- 5:30-5.2 Encumbrance systems
- 5:30-5.3 General requirements
- 5:30-5.4 Procedure
- 5:30-5.5 Methods of accounting for and certifying available funds for special situations
- 5:30-5.6 Accounting for governmental fixed assets
- 5:30-5.7 General ledger accounting systems

SUBCHAPTER 6. ANNUAL AUDIT

- 5:30-6.1 Uniform accounting system for local units
- 5:30-6.2 through 5:30-6.4 (Reserved)
- 5:30-6.5 Certification of governing body
- 5:30-6.6 through 5:30-6.11 (Reserved)

SUBCHAPTER 7. MUNICIPAL BUDGET LOCAL EXAMINATION AND APPROVAL

- 5:30-7.1 Authority
- 5:30-7.2 Definitions
- 5:30-7.3 Local examination process
- 5:30-7.4 Eligibility for local examination
- 5:30-7.5 Qualifying for budget local examination
- 5:30-7.6 Completion of local examination
- 5:30-7.7 Revocation of qualification

SUBCHAPTER 8. FINANCIAL ADMINISTRATION

- 5:30-8.1 Electronic data processing systems for financial, revenue, and property tax accounting
- 5:30-8.2 Recommended surety bond coverage for chief financial officers
- 5:30-8.3 Minimum surety bond coverage for tax collectors
- 5:30-8.4 Minimum surety bond requirements for municipal courts
- 5:30-8.5 Guidelines concerning receipt and custody of public funds
- 5:30-8.6 (Reserved)
- 5:30-8.7 Notice of occurrences
- 5:30-8.8 through 5:30-8.9 (Reserved)
- 5:30-8.10 Acceptance of third party financial organization payments

SUBCHAPTER 9. GOVERNMENT ELECTRONIC RECEIPT ACCEPTANCE

- 5:30-9.1 Purpose and authority
- 5:30-9.2 Definitions
- 5:30-9.3 General grant of authority
- 5:30-9.4 Contracting for services
- 5:30-9.5 Accounting and control
- 5:30-9.6 Preauthorized transactions
- 5:30-9.7 Bulk payments
- 5:30-9.8 Individual electronic receipts
- 5:30-9.9 Surcharges or convenience fees
- 5:30-9.10 Payment of electronic receipt fees
- 5:30-9.11 Interpretations of the rules

SUBCHAPTER 9A. DISBURSEMENTS WITHOUT VENDOR CERTIFICATION

- 5:30-9A.1 Purpose
- 5:30-9A.2 Definitions
- 5:30-9A.3 Authorization to use procurement cards and electronic funds transfers for the acquisition of goods and services
- 5:30-9A.4 Conditions for use of procurement cards or electronic funds transfers; organization and access
- 5:30-9A.5 Procurement card limit and control requirements
- 5:30-9A.6 Electronic funds transfer authorization
- 5:30-9A.7 Policies and practices governing use of procurement cards; audit
- 5:30-9A.8 Eligible procurement card issuers; eligible providers of wire transfer services

SUBCHAPTER 10. MUNICIPAL PORT AUTHORITIES

- 5:30-10.1 Annual budgets of municipal port authorities
- 5:30-10.2 Approval of municipal port authorities obligations; municipal guarantees of authority bonds; financing agreements; and leases, sales or dispositions of real property

SUBCHAPTER 11. CHANGE ORDERS AND OPEN-END CONTRACTS

- 5:30-11.1 Application, compliance and penalties
- 5:30-11.2 Definitions
- 5:30-11.3 General requirements for all change orders
- 5:30-11.4 Procedures for minor field (site) modifications
- 5:30-11.5 General procedures for change orders
- 5:30-11.6 Change orders for professional services and extraordinary unspecifiable services
- 5:30-11.7 Change orders for materials, supplies and equipment which are part of construction contract
- 5:30-11.8 Change orders for construction, reconstruction and major repair contracts
- 5:30-11.9 Procedures for change orders which exceed 20 percent limitation
- 5:30-11.10 Open-end contracts

SUBCHAPTER 12. FEDERAL GRANTS FOR LIBRARY CONSTRUCTION AND STATE LIBRARY AID

- 5:30-12.1 General provisions
- 5:30-12.2 Procedure
- 5:30-12.3 Federal grants for library services
- 5:30-12.4 State library aid

SUBCHAPTER 13. FINANCIAL REVIEW BOARDS

- 5:30-13.1 Definitions
- 5:30-13.2 Powers and responsibilities
- 5:30-13.3 Financial review board
- 5:30-13.4 Report
- 5:30-13.5 Financial plan preparation
- 5:30-13.6 Financial plan modification
- 5:30-13.7 Annual municipal budget approval
- 5:30-13.8 Issuance of debt
- 5:30-13.9 Emergency appropriations, budget amendments, transfer of appropriation
- 5:30-13.10 Contracts
- 5:30-13.11 Orders and directives

SUBCHAPTER 14. EMERGENCY SERVICE VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM

- 5:30-14.1 Definitions
- 5:30-14.2 Creating LOSAPs: Determining the sponsoring agency for volunteer fire organizations
- 5:30-14.3 Creating LOSAPs: Determining the sponsoring agency for emergency service squads
- 5:30-14.4 LOSAP ordinances/resolutions: public disclosure sites and filing requirements
- 5:30-14.5 Ballot questions