

**CHAPTER 20  
BUSINESS SERVICES**

**Authority**

N.J.S.A. 18A:1-1, 18A:4-14, 18A:4-14.1, 18A:4-15, 18A:7A-19, 18A:7A-25, 18A:7A-26, 18A:7B-12, 18A:17-45, 18A:18A-4, 18A:18A-5, 18A:18A-7, 18A:18A-27, 18A:18A-37, 18A:18A-40, 18A:18A-42, 18A:19-13, 18A:22-8, 18A:29-3, 18A:29-5, 18A:29-5.1, 18A:29-5.3, 18A:29-5.6, 18A:29-5.12, 18A:33-3, 18A:38-5, 18A:38-19, 18A:38-25, 18A:44-2, 18A:46-6.1, 18A:46-21, 18A:58-33.39, 18A:58-37.1 et seq., 18A:58-68, 18A:58-72, 18A:58-74, 18A:58-75, 18A:58-76, 40A:11-11, 52:14-15.9(e), 52:14B-49(c), Chapter 154, Laws of 1987; and Executive Order No. 34(1976).

**Source and Effective Date**

R.1997 d.9, effective December 10, 1996.  
See: 28 N.J.R. 4297(a), 29 N.J.R. 124(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 20, Business Services, expires on December 10, 1998.

**Chapter Historical Note**

Chapter 20, Business Services, was filed and became effective prior to September 1, 1969, with Subchapters 1 through 5 on Attendance and Pupil Accounting, Bookkeeping and Accounting in Local School Districts, Tuition Public Schools, Tuition Nonpublic Schools, and State Aid.

Subchapter 6. Purchase and Loan of Textbooks, was adopted as Emergency R.1974 d.240, effective August 29, 1974. See: 6 N.J.R. 389(a). Subchapter 7, Qualification, Debarment, Suspension and Disqualification of Person(s) Concerning Contract Administration, was adopted as R.1976 d.388, effective December 7, 1976. See: 8 N.J.R. 501(c), 9 N.J.R. 13(a). Subchapter 8, Public School Contracts, was adopted as R.1980 d.69, effective February 8, 1980. See: 11 N.J.R. 499(a), 12 N.J.R. 107(a). Subchapter 4, Tuition Nonpublic Schools, was repealed and a new Subchapter 4, Tuition for Private Schools for the Handicapped, was adopted as R.1983 d.369, effective September 6, 1983. See: 15 N.J.R. 730(a), 15 N.J.R. 1469(a). The text of Subchapter 4 was subsequently replaced by R.1984 d.398, effective September 4, 1984. See: 16 N.J.R. 1298(a), 16 N.J.R. 2358(a).

Pursuant to Executive Order No. 66(1978), Subchapter 5, State Aid, was readopted as R.1984 d.546, effective November 15, 1984. See: 16 N.J.R. 2392(a), 16 N.J.R. 3429(a). Subchapter 7, Qualification, Debarment, Suspension and Disqualification of Person(s) Concerning Contract Administration, was readopted as R.1984 d.545, effective November 15, 1984. See: 16 N.J.R. 2394(a), 16 N.J.R. 3430(a). Subchapter 8, Public School Contracts, was readopted as R.1985 d.88, effective March 4, 1985. See: 16 N.J.R. 3372(b), 17 N.J.R. 584(a). Subchapter 6, Purchase and Loan of Textbooks, was readopted as R.1985 d.150, effective March 8, 1985. See: 17 N.J.R. 148(a), 17 N.J.R. 814(a). Subchapter 3, Tuition Public Schools, was readopted as R.1985 d.157, effective March 11, 1985. See: 17 N.J.R. 144(a), 17 N.J.R. 811(c). Subchapter 2, Bookkeeping and Accounting in Local School Districts, was readopted as R.1985 d.452, effective August 9, 1985. See: 17 N.J.R. 1361(a), 17 N.J.R. 2105(b).

Subchapter 2, Bookkeeping and Accounting in Local School Districts, was amended and recodified as Subchapter 2A, Double Entry Bookkeeping and GAAP Accounting in Local School Districts, and a new Subchapter 2, Bookkeeping and Accounting in Local School Districts, was adopted as R.1990 d.21, effective January 16, 1990. See: 21 N.J.R. 2919(a), 22 N.J.R. 176(a).

Pursuant to Executive Order No. 66(1978), Chapter 20 was readopted as R.1990 d.393, effective July 16, 1990. As part of R.1990 d.393, the expiration of Subchapter 2, Bookkeeping and Accounting in Local School Districts, was set for July 1, 1993, the implementation date of the provisions of Subchapter 2A, Double Entry Bookkeeping and GAAP Accounting in Local School Districts. See: 22 N.J.R. 1246(a), 22 N.J.R. 2345(a).

Subchapter 9, Child Nutrition Programs, was recodified from N.J.A.C. 6:79 by R.1992 d.202, effective May 4, 1992. See: 24 N.J.R. 324(a), 24 N.J.R. 1791(c).

Pursuant to Executive Order No. 22(1994), the expiration date of Chapter 20 was extended from July 16, 1995 to January 16, 1997. See: 26 N.J.R. 3783(a) and 3942(a).

Pursuant to Executive Order No. 66(1978), Chapter 20 was readopted as R.1997 d.9, effective December 10, 1996. See: Source and Effective Date.

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**SUBCHAPTER 1. ATTENDANCE AND PUPIL ACCOUNTING**

**6:20-1.1 School register**

(a) The Commissioner shall prepare and distribute a school register which shall be known as the New Jersey School Register, for recording pupil attendance in all public schools of the State operated by district boards of education, except adult high schools.

(b) Pupil attendance shall be recorded in the school register during school hours on each day the school is in session.

(c) Separate school registers shall be kept for pupils attending A.M. kindergarten, P.M. kindergarten, full-day kindergarten, grades 1 through 6, grades 7 and 8, grades 9 through 12, each pre-school handicapped class, each handicapped class, shared-time classes for regular pupils, shared-time classes for handicapped pupils, full-time bilingual education programs and vocational day programs, and summer schools operated by district boards of education.

(d) The attendance record of all pupils furnished individual instruction or training shall be recorded in a separate official record of home instruction provided by the district board of education. Pupils on roll in home instruction shall not be regarded as enrolled for purposes of average daily enrollment and average daily attendance.

Amended by R.1990 d.393, effective August 6, 1990.

See: 22 N.J.R. 1246(a), 22 N.J.R. 2345(a).

More clearly delineated the use of separate school registers.

Amended by R.1990 d.610, effective December 17, 1990.

See: 22 N.J.R. 2633(a), 22 N.J.R. 3736(a).

Deleted reference to "annual" distribution of school register.

**6:20-1.2 School enrollment**

(a) The enrollment in a class, a school or a school district shall be the total number of original entries plus the number of re-entries, less the number of transfers, withdrawals or dropouts in any such unit during a school year. The total number of original entries and re-entries, less the number of transfers, withdrawals or dropouts, in all the classes and schools of a school district shall constitute the school enrollment for that district board of education during any school year.

(b) No pupil attending a school operated by a district board of education shall be enrolled in more than one school register in any school district during a school year. All pupils shall be enrolled as of the first day of attendance for that year.

(c) No pupil shall be enrolled in a school register until the pupil has reached the following legal school age:

1. Kindergarten—over four years and less than six years;
2. Day school—over five years;
3. Pre-school handicapped—over three years and less than five years.

(d) Within 10 days of the start of the school year, a school district must determine whether any re-entering student who has not attended school that year has an excused absence or has transferred, withdrawn or dropped out of the school district.

(e) Any pupil enrolled in a school register in a school district who moves to another school district in the same school year shall be enrolled in one register in the new school district upon entering school in that district.

(f) The average daily enrollment in a school district for a school year shall be the sum of the days present and absent of all enrolled pupils when schools were in session during the year, divided by the number of days schools were actually in session. The average daily enrollment for the classes or schools of a district having varying lengths of terms shall be the sum of the average daily enrollments obtained for the individual classes or schools.

(g) The average daily attendance in a school district for a school year shall be the sum of the days present of all enrolled pupils when schools were in session during the year, divided by the number of days schools were actually in session. The average daily attendance for the classes or schools of a district having varying lengths of terms shall be the sum of the average daily attendance obtained for the individual classes or schools.

Amended by R.1990 d.393, effective August 6, 1990.

See: 22 N.J.R. 1246(a), 22 N.J.R. 2345(a).

Added (f) defining calculation of the "average daily attendance".

Amended by R.1990 d.610, effective December 17, 1990.

See: 22 N.J.R. 2633(a), 22 N.J.R. 3736(a).

Added new (d) requiring school make determination of status absent reentering students within 10 days of start of school year.

#### Case Notes

Divorced parents sharing equal custody owe no tuition to school board when children attend school in father's district. Clifton Board of Education v. Sauro, 96 N.J.A.R.2d (EDU) 497.

Children entitled to attend district school without charge where evidence showed that family never intended to reside in investment property located outside of district. Norcross v. Berlin Board of Education, 96 N.J.A.R.2d (EDU) 458.

Student living with guardians who have assumed full care is entitled to free education in district where guardians reside. MacKinney v. Clifton Board of Education, 96 N.J.A.R.2d (EDU) 434.

School district is responsible for education of child who lives with his grandparents even though grandparents are not his legal guardians and do not provide all his support. East Brunswick Board of Education v. J.R., 96 N.J.A.R.2d (EDU) 285.

Sufficient showing of hardship entitles adopted student free education in adoptive family's school district. D.E. v. Greater Egg Harbor Board of Education, 96 N.J.A.R.2d (EDU) 244.

School district may "disenroll" students whose family moved out of district. Thomas v. Passaic County Manchester Regional High School District Board of Education, 96 N.J.A.R.2d (EDU) 37.

Student who failed to show domicile with relatives in district not eligible to attend school within that district. S.J.S. v. Woodbury Heights Borough Board of Education, 96 N.J.A.R.2d (EDU) 18.

School district in which child was domiciled with mother was responsible for special needs notwithstanding occasional exercises of parental responsibility by non-domiciled father. Summit Board of Education v. Millburn Board of Education, 95 N.J.A.R.2d (EDU) 506.

Child in *in parens patriae* relationship with person domiciled within school district met hardship eligibility requirements for attending school

within district. S.L. v. Clifton Board of Education, 95 N.J.A.R.2d (EDU) 476.

Student living with his grandmother in district to assist with a disability was not a legal resident entitled to a free education in district when supported entirely by his father living in another district. D.W. v. Egg Harbor Board of Education, 95 N.J.A.R.2d (EDU) 225, supplemented 95 N.J.A.R.2d (EDU) 587.

Children were not entitled to a free and public education in school district after they moved with their mother to a true, fixed and permanent home outside district. Lee v. Holmdel Board of Education, 95 N.J.A.R.2d (EDU) 214.

Changing geographic designation for attendance in kindergarten was based on excessive student enrollment and was not unreasonable. G.M. v. Roselle Park Board of Education, 95 N.J.A.R.2d (EDU) 107.

Tuition for school attendance in district was waived until children's domicile with parent in another district was established. Union County Board of Education v. A. McG. and L.M., 95 N.J.A.R.2d (EDU) 74, appeal dismissed 96 N.J.A.R.2d (EDU) 140.

Parent established domicile in school district to entitle children to free public education. R.A. v. Ewing Board of Education, 95 N.J.A.R.2d (EDU) 49.

Lack of affidavit from natural father residing out of state did not preclude enrollment of child in school district when control had otherwise been relinquished. Gunderson v. Brigantine Board of Education, 95 N.J.A.R.2d (EDU) 39.

Family illegally living year-round at campsite; domicile; right to free education. Board of Education of Township of Middle v. K.K. and P.K., 93 N.J.A.R.2d (EDU) 461.

Neither domicile nor temporary residence in district established; student ineligible for free public education. I.P. v. Board of Education of Borough of Leonia, 93 N.J.A.R.2d (EDU) 128.

Incarcerated pupils; proof of residence. Board of Education of City of Atlantic City v. New Jersey Department of Education, 92 N.J.A.R.2d (EDU) 545.

Domicile; multiple residences. Fort Lee Board of Education v. Kintos, 92 N.J.A.R.2d (EDU) 96.

Enrollment status. Parents on behalf of "G.S." v. Bd. of Ed., Rockaway, Morris Cty., 1974 S.L.D. 637.

#### 6:20-1.3 School attendance

(a) For purposes of school attendance a day in session shall be a day on which the school is open and pupils are under the guidance and direction of a teacher or teachers engaged in the teaching process. Days on which school is closed for such reasons as holidays, teachers' institutes and inclement weather shall not be considered as days in session.

(b) A school day shall consist of not less than four hours of actual school work, except that in an approved kindergarten one continuous session of 2½ hours may be considered as a full day.

(c) An approved kindergarten shall meet the following requirements:

1. Every kindergarten teacher shall be properly certified.
2. A balanced program in an approved facility with adequate equipment, materials and supplies shall be provided each child. This program is to be designed to meet the individual needs of every child and may include instruction in reading and other subjects when it has been determined that a child is ready for such instruction by the teacher of the class.

3. The maximum enrollment for any kindergarten class shall be 25 pupils per teacher. The county superintendent of schools may give permission to increase the number in a room to any number he chooses provided another teacher, an auxiliary teacher, or a teacher aide is employed full-time to provide for the increased size.

(d) A day of attendance shall be one in which a pupil is present for the full day under the guidance and direction of a teacher while school is in session. Whenever over-crowded conditions make it necessary to hold two separate sessions with a different group of pupils in each session a pupil attending for all of either session shall be regarded as having attended for the full day. An excused absence for any reason shall not be counted as a day of attendance in the school register.

(e) A half-day class shall be considered the equivalent of a full day's attendance only if in session for four hours or more, exclusive of recess periods or lunch periods.

(f) A record of the attendance of all pupils on roll in a school register shall be kept each day that school is in session by a teacher or other authorized person. It shall be the duty of this person to keep the attendance records according to these rules and the specific instructions printed in the school register, and if necessary, according to supplementary instructions issued from time to time by the Commissioner.

(g) No pupil shall be recorded as present unless the school is in session and the pupil or pupils so recorded are under the guidance and direction of a teacher in the teaching process.

(h) A pupil shall be recorded as absent in the school register when not in attendance at a session of the school while a member of the school, except pupils excused due to religious holidays who shall be recorded as excused.

(i) A pupil shall be recorded as either present, absent, or excused for religious observance, every day the school is in session after the pupil enters until the date the pupil is transferred to another school, transferred to an individual home instruction record, or officially leaves the school system.

(j) The Commissioner shall annually prescribe a list of religious holidays on which it shall be mandatory to excuse pupils for religious observance upon the written request signed by the parent or person standing in loco parentis.

(k) The mere presence of a pupil at roll call shall not be regarded as sufficient attendance for compliance with these rules. In a school which is in session during both the forenoon and the afternoon, a pupil shall be present at least one hour during both the forenoon and the afternoon in order to be recorded as present for the full day. In a school which is in session during either the forenoon or the afternoon, a pupil shall be present at least two hours in the session in order to be recorded as present for the full day.

Amended by R.1990 d.393, effective August 6, 1990.  
See: 22 N.J.R. 1246(a), 22 N.J.R. 2345(a).  
Deleted (f), (m) and (n); recodified with editorial changes.

#### Case Notes

State Board of Education regulations applying to institutionalized children adopted. *New Jersey Assn. for Retarded Citizens, Inc. v. State Dept. of Human Services*, 89 N.J. 234, 445 A.2d 704 (1982).

Pupils not shown not to be residents of school district; incarceration. *Board of Education of City of Atlantic City v. New Jersey Department of Education*, 93 N.J.A.R.2d (EDU) 336.

Speculative impact of rule does not justify rescission of Board resolution allowing early enrollment. *McDowell v. Bd. of Ed., Island Heights, Ocean Cty.*, 1974 S.L.D. 1316.

## SUBCHAPTER 2. (RESERVED)

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

#### 6:20-2A.1 Prescribed system of double entry bookkeeping and GAAP accounting

(a) A uniform system of double entry bookkeeping shall be established, and such uniform system shall be utilized by all district boards of education.

(b) Accounting principles consistent with the "generally accepted accounting principles" (henceforth referred to as GAAP) promulgated by the Governmental Accounting Standards Board shall be applied by all district boards of education when preparing financial statements.

(c) All school districts shall conform to the requirements of this subchapter on July 1, 1993 pursuant to N.J.S.A. 18A:4-14.1.

Amended by R.1985 d.452, effective September 3, 1985.  
See: 17 N.J.R. 1361(a), 17 N.J.R. 2105(b).  
"district board of education" substituted for "local school."  
New Rule, R.1989 d.86, effective February 6, 1989.  
See: 20 N.J.R. 2502(a), 21 N.J.R. 292(a).

This section was "prescribed system of bookkeeping".  
Amended by R.1990 d.21, effective January 16, 1990.  
See: 21 N.J.R. 2919(a), 22 N.J.R. 176(a).

Recodified and new (c) added.  
Amended by R.1990 d.393, effective August 6, 1990.  
See: 22 N.J.R. 1246(a), 22 N.J.R. 2345(a).

Added effective date of these rules: July 1, 1993.

#### 6:20-2A.2 Summary statement of principles

(a) The accounting and reporting objectives of a district board of education accounting system shall make it possible to:

1. Present fairly and with full disclosure the financial position and results of operations of the funds and the presentation of account groups of the district board of education in conformity with GAAP; and

2. Determine and demonstrate compliance with finance-related legal and contractual provisions.

(b) District board of education accounting systems shall be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with the fund's special regulations, restrictions, or limitations.

(c) The following types of funds shall be used by district boards of education:

1. Governmental funds shall be established, when necessary as follows:

i. The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund shall include, as necessary, major accounts (funds) as follows: general current expense; capital outlay; and other current expense categories designated by the Commissioner.

ii. Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

iii. Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by general fund revenues such as property taxes, proprietary funds and trust funds).

iv. Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

2. Proprietary funds shall be established, when necessary, as follows:

i. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the district board of education is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the district board of education has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

ii. Internal service funds are used to account for the financing of goods or services provided by one department or office to other departments or offices of the district board of education, or to other district boards of education and governmental units, on a cost-reimbursement basis.

3. Fiduciary funds shall be established, when necessary, as follows:

i. Trust and agency funds are used to account for assets held by a district board of education in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include expendable trust funds, nonexpendable trust funds, pension trust funds, and agency funds.

(d) District boards of education shall establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established.

(e) District boards of education shall maintain account groups for fixed assets and long-term liabilities.

1. A clear distinction shall be made between fund fiscal assets and general fixed assets.

i. Fixed assets related to specific proprietary funds or trust funds shall be accounted for through such funds.

ii. All other fixed assets of a district board of education not required to be accounted for in a proprietary or trust fund shall be accounted for through the general fixed assets account group.