

See: 12 N.J.R. 453(a), 12 N.J.R. 569(d).
 (d)4 was \$100.00.
 Amended by R.1985 d.452, effective September 3, 1985.
 See: 17 N.J.R. 1361(a), 17 N.J.R. 2105(b).
 Added "district board of education".
 Amended by R.1989 d.86, effective February 6, 1989.
 See: 20 N.J.R. 2502(a), 21 N.J.R. 292(a).
 Substituted "this section" for "these rules".
 Amended by R.1990 d.393, effective August 6, 1990.
 See: 22 N.J.R. 1246(a), 22 N.J.R. 2345(a).
 "Handbook 2R2" adopted by reference at (a).
 Amended by R.1999 d.2, effective January 4, 1999.
 See: 30 N.J.R. 3613(a), 31 N.J.R. 36(a).
 In (a), deleted a street address for the Department of Education.

6:20-2A.6 Mechanical bookkeeping systems

District boards of education which contract for electronic data processing bookkeeping services shall annually have an audit prepared or obtain a copy of an audit of the internal controls of the service company or agency as prescribed by Statement of Auditing Standards No. 44 of the American Institute of Certified Public Accountants and maintain a copy of such audit on file.

Amended by R.1985 d.452, effective September 3, 1985.
 See: 17 N.J.R. 1361(a), 17 N.J.R. 2105(b).
 (b) added.
 Amended by R.1989 d.86, effective February 6, 1989.
 See: 20 N.J.R. 2502(a), 21 N.J.R. 292(a).
 Added text "or obtain a copy of an audit" and "as prescribed by Certified Public Accountant".
 Amended by R.1990 d.393, effective August 6, 1990.
 See: 22 N.J.R. 1246(a), 22 N.J.R. 2345(a).
 Deleted (a), prior approval by Commissioner for use of electronic and mechanical systems deleted.

6:20-2A.7 Employee organizational dues

(a) Pursuant to provisions of N.J.S.A. 52:14-15.9(e), any person holding employment with a district board of education in this State may have deductions made from this compensation for the purpose of paying dues to a bona fide employee organization.

(b) Employees desiring payroll deductions of organizational dues should indicate, in writing, their choice of employee organization. Any such written authorization may be withdrawn at any time by filing a notice with the secretary of the district board of education, according to directions promulgated by the Commissioner.

(c) Any secretary of a district board of education making organizational payroll deductions shall submit to the designated employee organization all deductions made for such purposes.

Amended by R.1985 d.452, effective September 3, 1985.
 See: 17 N.J.R. 1361(a), 17 N.J.R. 2105(b).
 Added "district".
 Amended by R.1989 d.86, effective February 6, 1989.
 See: 20 N.J.R. 2502(a), 21 N.J.R. 292(a).
 Old section 2.7 was "Bookkeeping and accounting forms" and was repealed.

Case Notes

School board was not in violation of prohibition against use of public money except for public purposes by forwarding once a month total amount of employees' monthly contributions to credit union and/or annuity agent. *Neptune Board of Education v. Neptune Township Association*, 95 N.J.A.R.2d (EDU) 209, affirmed 293 N.J.Super. 1, 679 A.2d 669.

6:20-2A.8 Petty cash fund

(a) Pursuant to the provisions of N.J.S.A. 18A:19-13, a district board of education may establish on July 1 of each year, or as needed, a petty cash fund or funds for the purpose of making immediate payments of comparatively small amounts.

(b) A district board of education establishing a petty cash fund shall:

1. Indicate the amount or amounts authorized for each fund;
2. Set the maximum expenditure which may be made from each fund;
3. Designate an individual who will be responsible for the proper disposition of each fund;
4. Establish the minimum time period in which the designated person shall report to the district board of education on amounts disbursed from each fund; and
5. Approve a voucher prepared by the board secretary to replenish each fund.

(c) All unused petty cash funds are to be returned to the depository at the close of each fiscal year.

As amended, R.1983 d.491, effective November 7, 1983.
 See: 15 N.J.R. 982(a), 15 N.J.R. 1861(a).
 Added to (b), 1-5 and (c).
 Amended by R.1985 d.452, effective September 3, 1985.
 See: 17 N.J.R. 1361(a), 17 N.J.R. 2105(b).
 Added "district".
 Amended by R.1990 d.21, effective January 16, 1990.
 See: 21 N.J.R. 2919(a), 22 N.J.R. 176(a).
 Deleted the word "imprest" before petty cash fund.

6:20-2A.9 Summer payment plan

Funds withheld from employees' salaries for the summer payment plan prescribed by N.J.S.A. 18A:29-3 shall be deposited in a separate account in a depository designated by the district board of education, said account to be known as Board of Education of _____ Summer Payment Plan Account. Withdrawals from this account shall be made by individual checks payable to the order of employees for the amount withheld from their salaries during the school year. A payment list shall be certified by the president and secretary of the district board of education and delivered to the treasurer of school moneys of the district board of education.

Amended by R.1985 d.452, effective September 3, 1985.
 See: 17 N.J.R. 1361(a), 17 N.J.R. 2105(b).
 Substituted "treasurer" for "custodian"; added "district".

6:20-2A.10 Overexpenditure of funds

(a) A district board of education shall implement controls over budgeted appropriations as follows:

1. No encumbrance or expenditure (liability or payment) shall be approved which when added to the total of existing encumbrances and expenditures exceeds the amount appropriated by the district board of education in the applicable line item account established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. A line item account is defined as the lowest (most specific) level of detail in the appropriation/expenditure classification.

2. When a district board of education adopts an expanded chart of accounts pursuant to N.J.A.C. 6:20-2A.2(m)2, such district board of education shall adopt a policy concerning the controls over appropriations for line item accounts which exceed the minimum level of detail established pursuant to N.J.A.C. 6:20-2A.2(m)1. If a district board of education fails to adopt such a policy, the restrictions contained in (a)1 above shall apply to line item accounts which exceed the minimum level of detail.

3. A district board of education may transfer amounts necessary to effectuate the approval of encumbrances or expenditures prohibited in (a)1 and 2 above from line item accounts with available appropriation balances. These transfers shall be made prior to the approval of such encumbrances or expenditures and shall be made in accordance with N.J.S.A. 18A:22-8.1 and 18A:22-8.2.

(b) A district board of education anticipating an overexpenditure in either the general, capital projects or debt service funds as designated in N.J.A.C. 6:20-2A.2(c)1 shall proceed in the following manner:

1. The district board of education shall direct the chief school administrator to immediately notify the county superintendent of schools, of the following:

- i. The projected amount of the overexpenditure;
- ii. The reason or reasons for the projected overexpenditure; and
- iii. The action being taken by the district board of education to avoid the projected overexpenditure.

2. The county superintendent shall immediately notify the Commissioner, in writing, if the projected amount of the over-expenditure exceeds five percent of the district's general fund budget or \$100,000, whichever is lower.

3. The county superintendent shall immediately investigate to determine if the corrective action being taken by the district board of education is sufficient to avoid an overexpenditure. If necessary, the county superintendent shall assist the district board of education in determining what further corrective action can be taken, or request assistance from the Division of Finance.

4. The county superintendent shall immediately notify the Commissioner, in writing, should it appear that an overexpenditure may occur and the district board of education is not taking adequate action to avoid an overexpenditure.

(c) A district board of education secretary shall report to the district board of education, at each regular meeting, the amounts appropriated, expended and transferred into or out of an item of appropriation, for each item of appropriation shown on the budget form prepared in accordance with N.J.S.A. 18A:22-8. This report shall be in addition to the report required by N.J.S.A. 18A:17-9.

(d) A district board of education shall obtain a certification from the district board of education secretary each month that no line item account has encumbrances and expenditures which in total exceed the line item appropriation in violation of (a) above. If a violation has occurred, the district board of education shall by resolution either transfer amounts among line items and/or from free balance or direct the district board of education secretary or the chief school administrator, as appropriate, to transfer amounts among line items and/or from free balance to eliminate the line item account deficit(s). If the latter option is selected, the appropriate official shall provide a detailed report of the amounts transferred into and out of the affected line item account(s) or free balance for the board's ratification at the next regularly scheduled meeting. As applicable, the secretary's certification or a detailed account of all transfers and the board's ratification, when this option is selected, shall be reflected in the minutes of the board. All transfers shall be subject to the restrictions contained in N.J.S.A. 18A:22-8.1 and 18A:22-8.2.

(e) A district board of education, after review of the secretary's monthly financial report (appropriations section) and upon consultation with the appropriate district officials, shall certify in the minutes of the board each month that no major account or fund has been overexpended in violation of (b) above and that sufficient funds are available to meet the district's financial obligations for the remainder of the fiscal year. If the board is unable to make such a certification, the board shall direct the chief school administrator to initiate the steps outlined in (b) above and such directive shall be reflected in the minutes of the board.

(f) By August 15, the county superintendent shall report to the Commissioner all overexpenditures as shown on the June report of the district board of education secretary filed pursuant to N.J.S.A. 18A:17-10.

(g) Should a district board of education fail to develop an acceptable remedial plan to eliminate the projected overexpenditure, the district may be disqualified for certification under the State's monitoring procedure. In those cases where the Commissioner determines that the failure to develop an acceptable remedial plan to eliminate the projected overexpenditure impacts the district's ability to meet its goals and objectives, the Commissioner shall recommend to the State Board of Education that the district's certification be rescinded.

(h) Beginning in the second year following the year in which the deficit occurred the State aid of a district board of education will be reduced by the product of the sum of the deficits in any fund and the percentage of that sum to its T&E program budget defined in N.J.S.A. 18A:7F-3.

1. Reductions will be made in the following descending order:

- i. Foundation aid;
- ii. Transition aid;
- iii. Transportation aid;
- iv. Aid for at-risk pupils;
- v. Bilingual education aid; and
- vi. Special education aid.

2. Deficits incurred for special schools, State and Federal grant projects, enterprise funds such as the school lunch fund, trust and agency funds and student activity funds will be applied to the balance or deficit of the general fund when such overexpended projects and funds should have been balanced by expenditures from or transfers to that fund.

New Rule R.1986 d.118, effective April 7, 1986.

See: 17 N.J.R. 2939(b), 18 N.J.R. 643(a).

Amended by R.1989 d.86, effective February 6, 1989.

See: 20 N.J.R. 2502(a), 21 N.J.R. 292(a).

Substantially amended.

Amended by R.1990 d.21, effective January 16, 1990.

See: 21 N.J.R. 2919(a), 22 N.J.R. 176(a).

New (a)1-3 added, implementing of controls over budgeted appropriations.

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

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

New (d) and (e) added; remaining subsections recodified.

Administrative Correction in (b).

See: 23 N.J.R. 59(a).

Amended by R.1991 d.459, effective September 3, 1991.

See: 23 N.J.R. 1733(a), 23 N.J.R. 2634(a).

Text on Debt service State support deleted; text on overexpenditure of funds recodified from 2A.11 with amendments to specify reduction order and application of deficits.

Prior annotations on Debt service State support:

Amended by R.1980 d.427, effective October 2, 1980.

See: 12 N.J.R. 505(a), 12 N.J.R. 639(a).

Amended by R.1985 d.452, effective September 3, 1985.

See: 17 N.J.R. 1361(a), 17 N.J.R. 2105(b).

Added "district".

Amended by R.1999 d.2, effective January 4, 1999.

See: 30 N.J.R. 3613(a), 31 N.J.R. 36(a).

In (b), substituted "general, capital projects" for "current expense, capital outlay" following "either the" in the introductory paragraph, and substituted "general fund" for "current expense" following "district's" in 2; and in (h), deleted "major account or" following "in any" and substituted "T & E program budget defined in N.J.S.A. 18A:7F-3" for "maximum foundation budget defined in N.J.S.A. 18A:7D-6" at the end of the introductory paragraph, and deleted "major account, current expense of the" preceding "general" and deleted "major account" following "to that" in 2.

6:20-2A.11 (Reserved)

New Rule, R.1987 d.239, effective June 1, 1987.

See: 19 N.J.R. 437(a), 19 N.J.R. 728(a).

Amended by R.1989 d.86, effective February 6, 1989.

See: 20 N.J.R. 2502(a), 21 N.J.R. 292(a).

Uppercased Commissioner.

Amended by R.1991 d.459, effective September 3, 1991.

See: 23 N.J.R. 1733(a), 23 N.J.R. 2634(a).

Text on overexpenditure of funds recodified to 2A.10; text on appropriation of free balance recodified from 2A.12; appropriation of all available free balance required for waiver; (c) deleted.

Amended by R.1991 d.590, effective December 16, 1991.

See: 23 N.J.R. 2818(a), 23 N.J.R. 3746(a).

Established the requirement that appropriations be used exclusively for their intended purpose when associated with budget gap waivers, level II remedial plans, level III corrective action plans, educational improvement plans and "T&E" directives.

Repealed by R.1997 d.372, effective September 2, 1997.

See: 29 N.J.R. 2591(a), 29 N.J.R. 3806(a).

Section was "Appropriation of free balance and restricted appropriations".

6:20-2A.12 Capital reserve account procedures

(a) A district board of education or board of school estimate in a district having such a board may establish by formal resolution a capital reserve account within the general fund for the accumulation of funds for capital outlay appropriations/expenditures in subsequent fiscal years pursuant to N.J.S.A. 18A:21-2 and 3. The capital reserve account shall be established, administered and accounted for as follows:

1. A true copy of the establishing resolution shall be filed with the Division of Finance pursuant to N.J.S.A. 18A:21-3.

2. A district board of education may establish or increase the balance in the capital reserve account by including in the original annual general fund budget, which is certified for taxes, an appropriation of core curriculum standards aid revenue not to exceed 1.5 percent of such revenue pursuant to N.J.S.A. 18A:21-3.

3. The capital reserve account may also be established or increased in the original annual general fund budget which is certified for taxes by an amount expressly approved by the voters of the district or the board of school estimate pursuant to N.J.S.A. 18A:21-3.

4. The capital reserve account shall be increased by the earnings attributable to the investment of the account's assets pursuant to N.J.S.A. 18A:21-3. Anticipated investment income shall be included in the original annual general fund budget which is certified for taxes as miscellaneous income.

5. Additions to the capital reserve account from core curriculum standards aid, amounts approved by the voters or board of school estimate and investment income are included in the annual budget statement's appropriation section in the line item "Increase in Capital Reserve."

6. Funds placed in the capital reserve account are restricted to the capital outlay major account/fund and transfers of such funds to other major accounts/funds are prohibited pursuant to N.J.S.A. 18A:22-8.2.

7. Funds in the capital reserve account may be appropriated as revenue only in the annual budget which is

certified for taxes pursuant to N.J.S.A. 18A:21-4 in the line item "Withdrawal from Capital Reserve" subject to the following restrictions:

i. Funds withdrawn from the capital reserve account and included in the annual budget shall not be transferred for current expenses or debt service payments pursuant to N.J.S.A. 18A:21-4. In any year that capital reserve account funds are appropriated in the annual budget along with unrestricted fund sources, no transfers from capital outlay to current expense which are permitted by N.J.S.A. 18A:22-8.2 shall be made which reduce the capital outlay appropriation to an amount less than the appropriated capital reserve account funds;

ii. Funds in the capital reserve account which are not appropriated in the original annual general fund budget which is certified for taxes shall not be appropriated during the year;

iii. In any year that capital reserve account funds are appropriated in the annual budget, unexpended capital outlay appropriations up to the amount of capital reserve account funds appropriated shall be restored to the capital reserve account. Expenditures are deemed as being charged first to unrestricted capital outlay fund sources with capital reserve account appropriations expended last; and

iv. In any year that capital reserve account funds are appropriated in the annual budget, earnings attributable to the investment of unexpended capital outlay funds up to the amount of capital reserve account funds appropriated (lesser of unexpended capital outlay funds or capital reserve account funds appropriated) shall be placed in the capital reserve account along with earnings attributable to the investment of funds remaining in the capital reserve account.

8. A separate fund shall be established in the general fund for bookkeeping purposes only in order to account for increases to and withdrawals from the capital reserve account and its balance. The capital reserve account shall be reflected on the annual audit's balance sheet in the general fund as follows:

i. Dr: Capital Reserve Account; and

ii. Cr: Reserved Fund Balance—Capital Reserve Account.

New Rule, R.1991 d.459, effective September 3, 1991.
See: 23 N.J.R. 1733(a), 23 N.J.R. 2634(a).

Former section 6:20-2A.12 "Appropriation of free balance" was recodified to 6:20-2A.11.

Amended by R.1999 d.2, effective January 4, 1999.
See: 30 N.J.R. 3613(a), 31 N.J.R. 36(a).

In (a), substituted "general fund" for "capitulate outlay major account/fund" in the introductory paragraph and 8, substituted "general fund" for "capital outlay" in 2, 3, 4 and 7ii, substituted "core curriculum standards aid revenue not to exceed 1.5 percent of such revenue" for "foundation aid revenue not to exceed the amount of foundation aid for capital outlay" in 2, and substituted "core curriculum standards aid" for "foundation aid for capital outlay" in 5.

6:20-2A.13 (Reserved)

New Rule, R.1989 d.86, effective February 6, 1989.

See: 20 N.J.R. 2502(a), 21 N.J.R. 292(a).

Repealed by R.1990 d.21, effective January 16, 1990.

See: 21 N.J.R. 2919(a), 22 N.J.R. 176(a).

SUBCHAPTER 3. TUITION PUBLIC SCHOOLS

6:20-3.1 Method of determining tuition rates for regular public schools

(a) The term "actual cost per pupil" for determining the tuition rate or rates for a given year referred to in N.J.S.A. 18A:38-19 and 18A:46-21 shall mean the local cost per pupil in average daily enrollment, based upon audited expenditures for that year for the purpose for which the tuition rate is being determined and consistent with the grade/program categories in N.J.S.A. 18A:7F-13 and 18A:7F-19 that is, regular education classes: pre-school/kindergarten, grades one through five, grades six through eight, and grades nine through 12; and special education classes by handicap classification.

1. All expenditures for each purpose except Federal and State special revenue fund expenditures and those specifically excluded in (d)5 below shall be included.

2. "Average daily enrollment" for the purpose of determining the "actual cost per pupil," shall be the sum of the days present and absent of all pupils enrolled in the register or registers of the program for which the rate is being determined during the year divided by the number of days school was actually in session, but in no event shall the divisor be less than 180 days.

3. The "actual cost per pupil" for all grade and program categories shall be reduced as appropriate by Abbott v. Burke Parity Remedy Aid and State aid for programs for bilingual pupils received pursuant to N.J.S.A. 18A:7F-20 for both resident and nonresident pupils. Such reductions shall be made in accordance with the option selected in (b) below for certification of the "actual cost per pupil" for each tuition category.

(b) The Commissioner shall certify the "actual cost per pupil" for each tuition category for a given year for each receiving district board of education based upon either:

1. A report prepared and submitted annually by the receiving district board of education indicating the actual amounts of expenditures and adjustments whenever practicable or amounts equitably allocated and supported by documentation for each applicable item in the grade/program category for which the tuition rate is required, according to the prescribed bookkeeping and accounting system; or

As amended, R.1984 d.545, effective December 17, 1984.

See: 16 N.J.R. 2394(a), 16 N.J.R. 3430(a).

Added "district" throughout section.

Case Notes

State Board of Education delegated authority to debar, suspend and disqualify persons from contracting to the Department of the Treasury. *New Jersey Education Assn. v. Essex Cty. Educational Services Commission*, 5 N.J.A.R. 29 (1981).

SUBCHAPTER 8. PUBLIC SCHOOL CONTRACTS

6:20-8.1 Restricting the avoidance of competitive bidding for extraordinary, unspecifiable services

(a) Extraordinary, unspecifiable services (hereinafter referred to as "EUS") are those services which are specialized and qualitative in nature requiring expertise, extensive training and proven reputation in the field of endeavor.

(b) Any purchase, contract or agreement of the character described in N.J.S.A. 18A:18A-4, may be made, negotiated or awarded by a district board of education by resolution at a public meeting without public advertising for bids and bidding if the subject matter thereof consists of EUS. This exception shall be construed narrowly in favor of open competitive bidding where possible and in each instance of such exception, the district board of education is required to state the supporting reasons for its action in the resolution awarding the contract. The use of such exception shall be further limited by the following conditions:

1. The assertion that the service can only be provided by a single contractor ("sole source") shall not be sufficient alone to justify avoidance of competitive bidding as an EUS;
2. The fact that the service is in the nature of a personal, human, social or training services contract, or includes within its description such terms as "engineering," "technical," "management," "consultant," or similar descriptions suggesting some special nature shall not in itself be sufficient to utilize this exception. The need for expertise, extensive training and proven reputation in the field of endeavor must be critical and essential to the project, and not merely a desire to have a reliable job performed;
3. Avoidance of bids where any precedent exists (in the school district or elsewhere) demonstrating the feasibility of bidding would be an unacceptable use of this provision. Services previously bid shall be subject to the presumption that such services may not be classified as an EUS, unless the board of education can demonstrate the lack of feasibility of bidding such services;
4. If specifications can reasonably be written covering the services, then they must be bid, notwithstanding that the other criteria of the definition may be met. In cases

which may appear too technical for local school officials to prepare detailed specifications two criteria must be addressed and found to be not possible before it may be concluded that the services cannot reasonably be described by written specifications:

- i. If the local school officials do not possess the technical skill to prepare specifications, they should engage consultant assistance to do so;
- ii. If the services are of such a technical or massive nature as to make a description of all actions to be taken unfeasible, or if there are available various (optional or unknown) technical methodologies for achieving the desired end, then the specifications should be written in terms of required end-products and/or standards of performance rather than (or in concert with) descriptions of all technical steps to be taken;

5. Services rendered as EUS must generally be characterized as not being of a continuous ongoing nature. Services which are continued or regularly repetitive shall be subject to a presumption that specifications can be written to describe what has been done. Where this is not the case, the district board of education must specifically address this question;

6. Before awarding a contract under the EUS provisions, a designated school official of the district board of education must file a certificate with the district board of education clearly describing the nature of the work to be done, stating it is not reasonably possible to write specifications, describing the informal solicitation of quotations (if quotes not sought, or lowest responsible price is not observed explain this also) and describing in detail why the contract meets the provisions of the statute and these rules. A mere recitation of the language in the statute shall not be sufficient for this purpose. The certification must be kept with the resolution awarding the contract in the district board of education office;

7. If the estimated cost or price exceeds the minimum amount, which is calculated semi-annually, quotations as to the cost or price must be solicited by the district board of education whenever practicable, and the contract shall be made on the basis of the lowest responsible quotation, which quotation is most advantageous to the district board of education, price and other factors considered;

8. Services that meet the requirements of EUS may not be combined with other work in a contract, which is predominantly characterized as being a biddable activity, so as to avoid the necessity of bidding for the work which in its own right is subject to competitive bidding;

9. No firm, having been previously retained to study, survey, or prepare specifications for a given system, function or equipment may be selected as an EUS without competitive bidding to operate, implement or provide any material or services on the basis of intimate or specialized knowledge acquired as a result thereof. Appropriate care should be taken so that such a firm is not authorized to

participate in bidding if its earlier participation in studies, and so forth, would give it unfair advantage.

As amended, R.1984 d.204, effective June 4, 1984.

See: 16 N.J.R. 299(b), 16 N.J.R. 1347(a).

Amended by R.1985 d.88, effective March 4, 1985.

See: 16 N.J.R. 3372(b), 17 N.J.R. 584(a).

Deleted (c) and (d).

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

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

Explained use of acronym EUS.

Case Notes

Public Schools Contract Law allows nonadvertised negotiated changes in construction plans if successive advertised public construction bids produce unreasonable bids. *Rosenblum v. Closter Board of Education*, 96 N.J.A.R.2d (EDU) 540.

School board was not unreasonable in imposing past performance requirement on bidders for letting maintenance, custodial and grounds management service contract. *Stroh v. Hillsborough Board of Education*, 95 N.J.A.R.2d (EDU) 235.

Unexpended portion of funds received by Educational Services Commission under contracts with local school districts were subject to being refunded. *Essex County Educational Services v. Department of Education*, 95 N.J.A.R.2d (EDU) 106.

Contracting with one photographer to take photographs of pupils for school's yearbook was not discriminatory. *Santomenna v. Toms River Board of Education*, 95 N.J.A.R.2d (EDU) 42.

Board did not exceed its authority; requiring contract bidders to provide qualification information. *Michael T. Gavin, Inc., v. Lakewood Township Board of Education*, 94 N.J.A.R.2d (EDU) 307.

Contract had to be awarded to the lowest possible bidder. *Krantz & List Electric, Inc. v. Elizabeth City Board of Education*, 94 N.J.A.R.2d (EDU) 39.

Evidence established security company's responsibility; responsible low bidder. *Consec Security Group, Inc. v. Board of Education of Township of Lakewood*, 93 N.J.A.R.2d (EDU) 228.

Contractor could not recover claimed lost profit on basis of alleged wrongful rejection of bid. *Bokey, Inc. v. Board of Education of Borough of Frenchtown*, 93 N.J.A.R.2d (EDU) 117.

Contract specifications did not require specific brand name computers; successful bid was conforming. *Katinsky v. Board of Education of Township of Pennsauken*, 93 N.J.A.R.2d (EDU) 1.

Board of Education was not required to bid roof repair work on basis of separate and combined bids. *Quality Roofing Co. v. Tenafly Bd. of Educ.*, 91 N.J.A.R.2d 24 (EDU).

School board violated procedures on initiation of contract agreement for extraordinary, unspecifiable services in employment of lobbyist/consultant. (Commissioner's Final Decision). *Gibson v. Newark Bd. of Ed.*, 6 N.J.A.R. 304 (1984), affirmed 205 N.J.Super. 48 (App.Div.1985).

6:20-8.2 Certain leases of equipment and service agreements beyond the fiscal year

(a) Leases (which term includes rental agreements) and service agreements for automobiles, motor vehicles, electronic communications equipment and machinery and equipment of every nature and kind may not be renewed or extended beyond five years. Rebidding after five years should not require that the equipment be in the service of the district board of education.

(b) Such leases and service agreements may be written for any period of time not to exceed five years, or for shorter periods with provision for renewal at the option of the district board of education provided that such renewal shall not cause the cumulative length to exceed five years. Such renewals may be authorized only by resolution of the district board of education.

(c) In addition to providing for the use of equipment during the period of the lease, the lease may provide for rental payments to be credited towards the purchase price for purpose of acquisition of the equipment if the district board of education, at its sole option, decides to buy the equipment, and said option was included in the original specifications and in the original contract. Leases may not, however, provide for the acquisition of ownership at the beginning of the lease term, with installment payments to be made thereafter.

(d) All leases or service agreements authorized under this section of the law shall be subject to competitive bidding.

(e) Equipment leased may not be expanded, upgraded or otherwise materially changed or increased in cost during the term of the lease without competitive bidding, except as follows:

1. Equipment changes which were specifically described, either by itemization or by performance standards, in the original bidding specifications and for which all bidders were requested to submit proposals, when in accordance with a formal written plan of time-phased expansion, prepared prior to solicitation of bids, and when the proposals for such changes were considered in the determination of the successful bidder; or