

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 (operative July 1, 2001).
See: 33 N.J.R. 419(a), 33 N.J.R. 1415(a), 33 N.J.R. 1796(a).

Executive Order No. 66(1978) Expiration Date

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

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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 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 private schools for the disabled. 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.

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 in N.J.A.C. 6A:24-1.2.

"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.

"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.

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

"Base budget" means the district board of education's school budget that contains a net budget at its adjusted spending growth limitation pursuant to N.J.S.A. 18A:7F-5 and 5a, but exclusive of additional spending proposals submitted to the voters or board of school estimate.

"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.

"Board of trustees" means the public agents authorized by the State Board of Education to supervise and control a charter school.

"Capital project" as defined in N.J.A.C. 6A:26-1.2.

"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, 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 is used for each capital project.

"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 established in accordance with N.J.S.A. 18A:36A-1 et seq.

"Chief school administrator" means the superintendent pursuant to N.J.S.A. 18A:17-15, or the administrative principal pursuant to N.J.S.A. 18A:17-20.5, or the State district superintendent pursuant to N.J.S.A. 18A:7A-35 in the case of a State-operated school district, or the lead person as defined at N.J.A.C. 6A:11-1.2 in the case of a charter school.

"Commissioner" means the Commissioner of Education or the Commissioner's designee.

"Comparative Spending Guide" means the annual report of comparative financial statistics of school districts compiled and published for general distribution by the Commissioner pursuant to N.J.S.A. 18A:4-30.