

CHAPTER 23A

FISCAL ACCOUNTABILITY, EFFICIENCY
AND BUDGETING PROCEDURES

Authority

N.J.S.A. 18A:1-1; 18A:4-14; 18A:4-15; 18A:7B-12; 18A:7G-1 et seq.; 18A:17-9, 10, 31 and 34 through 36; 18A:17-32; 18A:18A-1 et seq.; 18A:19-1 et seq.; 18A:20-1 et seq.; 18A:21-1 et seq.; 18A:23-1 et seq.; 18A:24-1 et seq.; 18A:29-3; 18A:36A-1 et seq.; 18A:38-1 et seq.; 18A:46-1 et seq.; 18A:54-1 et seq.; 18A:55-1 et seq.; and 18A:58-1 et seq.; and P.L. 2007, c. 53; P.L. 2007, c. 62; P.L. 2007, c. 63; P.L. 2007, c. 260; and P.L. 2008, c. 37.

Source and Effective Date

R.2009 d.394, effective November 25, 2009.
See: 41 N.J.R. 2381(a), 41 N.J.R. 4721(a).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 23A, Fiscal Accountability, Efficiency and Budgeting Procedures, expires on November 25, 2016. See: 43 N.J.R. 1203(a).

Chapter Historical Note

Chapter 23A, Administrative Cost Limits, Transfers, and Budget Development, was adopted as Special New Rules by R.2005 d.17, effective December 7, 2004. See: 37 N.J.R. 136(a).

Chapter 23A, Administrative Cost Limits, Transfers, and Budget Development, was readopted as R.2005 d.411, effective October 27, 2005. See: 37 N.J.R. 2278(a), 37 N.J.R. 4403(a).

Chapter 23A, Administrative Cost Limits, Transfers, and Budget Development, was repealed by R.2006 d.361, effective October 2, 2006. See: 38 N.J.R. 2333(a), 38 N.J.R. 4178(b).

Chapter 23A, Fiscal Accountability, Efficiency and Budgeting Procedures, was adopted as special new rules by R.2008 d.212, effective July 1, 2008. See: 40 N.J.R. 4610(a).

Subchapter 2, Executive County Superintendent of Schools, Subchapter 4, School District Fiscal Accountability, Subchapter 7, School District Travel Policies and Procedures, Subchapter 8, Annual Budget Development and Submission, Subchapter 10, Spending Growth Limitation, Subchapter 11, Tax Levy Growth Limitation, Subchapter 12, Commissioner Waivers of Tax Levy Growth Limitation; Separate Voter Approval, Subchapter 13, Budget Transfers, Underestimated Surplus and Deficits, Subchapter 14, Reserve Accounts and Subchapter 15, State Aid Calculations and Aid Adjustments for Charter Schools, were adopted as special new rules by R.2009 d.35, effective December 18, 2008. See: 41 N.J.R. 642(a).

Chapter 23A, Fiscal Accountability, Efficiency and Budgeting Procedures, was readopted as R.2009 d.394, effective November 25, 2009. See: Source and Effective Date. See, also, section annotations.

Subchapter 16, Double Entry Bookkeeping and GAAP Accounting, was recodified from N.J.A.C. 6A:23-2; Subchapter 17, Tuition Public Schools, was recodified from N.J.A.C. 6A:23-3; Subchapter 18, Tuition for Private Schools for Students with Disabilities, was recodified from N.J.A.C. 6A:23-4; Subchapter 19, State Aid, was recodified from N.J.A.C. 6A:23-5 and renamed Emergency State Aid and Residency Determination; Subchapter 20, Purchase and Loan of Textbooks, was recodified from N.J.A.C. 6A:23-6; Subchapter 21, Management of Public School Contracts, was recodified from N.J.A.C. 6A:23-7; and Subchapter 22, Financial Operations of Charter Schools, was recodified from N.J.A.C. 6A:23-9 by R.2009 d.395, effective December 21, 2009. See: 41 N.J.R. 2850(a), 41 N.J.R. 4706(a).

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. PURPOSE, SCOPE AND DEFINITIONS

- 6A:23A-1.1 Purpose and scope
- 6A:23A-1.2 Definitions

SUBCHAPTER 2. EXECUTIVE COUNTY
SUPERINTENDENT OF SCHOOLS

- 6A:23A-2.1 General powers and duties of Executive County Superintendent
- 6A:23A-2.2 School district regionalization and consolidation of services advisory committee
- 6A:23A-2.3 Consolidation and sharing of services; joint and cooperative purchasing
- 6A:23A-2.4 Elimination of school districts that are not operating schools
- 6A:23A-2.5 Plan for district consolidation to create regional school districts
- 6A:23A-2.6 Transportation efficiency study
- 6A:23A-2.7 Shared special education services

SUBCHAPTER 3. ADMINISTRATOR AND BOARD
MEMBER ACCOUNTABILITY

- 6A:23A-3.1 Review of employment contracts for superintendents, assistant superintendents and school business administrators
- 6A:23A-3.2 Required actions relative to early termination of superintendent
- 6A:23A-3.3 Certification review under certain conditions
- 6A:23A-3.4 Noncompliance with GAAP, review of certification of a SBA

SUBCHAPTER 4. SCHOOL DISTRICT FISCAL
ACCOUNTABILITY

- 6A:23A-4.1 Additional powers of Commissioner to achieve fiscal accountability
- 6A:23A-4.2 Compliance with requirements for income tax
- 6A:23A-4.3 Annual audit to assure income tax reporting compliance
- 6A:23A-4.4 Repeat annual audit recommendations; action required

SUBCHAPTER 5. ADDITIONAL MEASURES TO ENSURE
EFFECTIVE AND EFFICIENT EXPENDITURES OF
DISTRICT FUNDS

- 6A:23A-5.1 Order to show cause to withhold or recover State aid due to excessive, unreasonable, ineffective or inefficient expenditures
- 6A:23A-5.2 Public relations and professional services; board policies; efficiency
- 6A:23A-5.3 Failure to maximize Special Education Medicaid Initiative (SEMI)
- 6A:23A-5.4 Violation of public school contracts law
- 6A:23A-5.5 Expenditure and internal control auditing
- 6A:23A-5.6 District response to Office of Fiscal Accountability and Compliance (OFAC) investigation report
- 6A:23A-5.7 Verification of payroll check distribution
- 6A:23A-5.8 Board of education expenditures for non-employee activities, meals and refreshments
- 6A:23A-5.9 Out-of-State and high cost travel events

SUBCHAPTER 6. CONDITIONS FOR THE RECEIPT OF
STATE AID

- 6A:23A-6.1 Conditions precedent to disbursement of State aid
- 6A:23A-6.2 Nepotism policy
- 6A:23A-6.3 Contributions to board members and contract awards
- 6A:23A-6.4 Internal controls

- 6A:23A-6.5 Segregation of duties; organization structure
- 6A:23A-6.6 Standard operating procedures for business functions
- 6A:23A-6.7 Financial and human resource management systems; access controls
- 6A:23A-6.8 Personnel tracking and accounting
- 6A:23A-6.9 Facilities maintenance and repair scheduling and accounting
- 6A:23A-6.10 Approval of amounts paid in excess of approved purchase orders; board policy
- 6A:23A-6.11 Vehicle tracking, maintenance and accounting
- 6A:23A-6.12 District vehicle assignment and use policy
- 6A:23A-6.13 Board travel policy

SUBCHAPTER 7. SCHOOL DISTRICT TRAVEL POLICIES AND PROCEDURES

- 6A:23A-7.1 School district travel expenditures
- 6A:23A-7.2 Board policy for travel expenditures
- 6A:23A-7.3 Maximum travel budget
- 6A:23A-7.4 Travel approval procedures
- 6A:23A-7.5 Required documentation for travel
- 6A:23A-7.6 SBA responsibilities regarding accounting for travel
- 6A:23A-7.7 Sanctions for violations of travel requirements
- 6A:23A-7.8 Prohibited travel reimbursements
- 6A:23A-7.9 Travel methods
- 6A:23A-7.10 Routing of travel
- 6A:23A-7.11 Subsistence allowance – overnight travel
- 6A:23A-7.12 Meal allowance—special conditions—and allowable incidental travel expenditures
- 6A:23A-7.13 Records and supporting documents

SUBCHAPTER 8. ANNUAL BUDGET DEVELOPMENT AND SUBMISSION

- 6A:23A-8.1 Budget submission; supporting documentation; website publication
- 6A:23A-8.2 Public notice and inspection
- 6A:23A-8.3 Administrative cost limits
- 6A:23A-8.4 Capital outlay budget
- 6A:23A-8.5 Designation of general fund balances
- 6A:23A-8.6 Appropriation of unreserved debt service fund balance; exception
- 6A:23A-8.7 Tuition rate adjustment by districts receiving preschool expansion aid or educational opportunity aid in the 2007-08 school year

SUBCHAPTER 9. EXECUTIVE COUNTY SUPERINTENDENT BUDGET REVIEW PROCEDURES

- 6A:23A-9.1 Executive County Superintendent budget review
- 6A:23A-9.2 Executive County Superintendent budget review and approval; administrative and non-instructional expenses
- 6A:23A-9.3 Efficiency standards for review of administrative and non-instructional expenditures and efficient business practices
- 6A:23A-9.4 Commissioner's authority to direct expenditures to achieve T&E
- 6A:23A-9.5 Commissioner to ensure achievement of the New Jersey Student Learning Standards; corrective actions
- 6A:23A-9.6 Appeal of Executive County Superintendent budget reductions
- 6A:23A-9.7 Procedures following voter defeat of proposed budget; municipal governing body or board of school estimate action
- 6A:23A-9.8 Municipal governing body failure to certify or agree; Commissioner sets tax levy
- 6A:23A-9.9 Application for Commissioner restoration of budget reductions
- 6A:23A-9.10 Executive County Superintendent ongoing budget review
- 6A:23A-9.11 Year-end financial procedures for Executive County Superintendent and fiscal monitor

SUBCHAPTER 10. SPENDING GROWTH LIMITATION

- 6A:23A-10.1 Moratorium on spending growth limitation and municipal governing body authority to determine amount to be raised upon voter rejection of separate proposal
- 6A:23A-10.2 Adjustments to spending growth limitation
- 6A:23A-10.3 Unused spending authority (banked cap)

SUBCHAPTER 11. TAX LEVY GROWTH LIMITATION

- 6A:23A-11.1 Adjusted tax levy growth limitation
- 6A:23A-11.2 Adjustment for increases in enrollments
- 6A:23A-11.3 Adjustment for a reduction in total unrestricted State aid
- 6A:23A-11.4 Adjustment for an increase in health care costs

SUBCHAPTER 12. COMMISSIONER WAIVERS OF TAX LEVY GROWTH LIMITATION; SEPARATE VOTER APPROVAL

- 6A:23A-12.1 Waivers subject to Commissioner authorization
- 6A:23A-12.2 Waivers to address failure to meet the New Jersey Student Learning Standards
- 6A:23A-12.3 Waiver for energy cost increase
- 6A:23A-12.4 Waiver for capital outlay cost increases
- 6A:23A-12.5 Waiver for use of non-recurring general fund revenues
- 6A:23A-12.6 Waiver for increases in insurance costs
- 6A:23A-12.7 Waiver for increases in transportation costs to service hazardous routes
- 6A:23A-12.8 Waiver for increases in special education costs
- 6A:23A-12.9 Waiver for increases in tuition costs
- 6A:23A-12.10 Waiver for costs associated with opening a new school facility
- 6A:23A-12.11 Waiver for service essential to health, safety and welfare of children
- 6A:23A-12.12 Commissioner may direct reallocations up to the total amount of the waiver request
- 6A:23A-12.13 Voter authorization to exceed tax levy limitation; separate proposal(s)

SUBCHAPTER 13. BUDGET TRANSFERS, UNDERESTIMATED SURPLUS AND DEFICITS

- 6A:23A-13.1 Commissioner adjusted tax levies; Commissioner budget reallocations and directives; transfers and underestimated year-end surplus
- 6A:23A-13.2 Executive County Superintendent reduction of administrative and non-instructional expenses; transfers prohibited
- 6A:23A-13.3 Transfers during the budget year

SUBCHAPTER 14. RESERVE ACCOUNTS

- 6A:23A-14.1 Capital reserve
- 6A:23A-14.2 Maintenance reserve
- 6A:23A-14.3 Supplementation of capital reserve and maintenance reserve accounts
- 6A:23A-14.4 Establishment of other reserve accounts
- 6A:23A-14.5 Reserve accounts recorded in accordance with GAAP; audit

SUBCHAPTER 15. STATE AID CALCULATIONS AND AID ADJUSTMENTS FOR CHARTER SCHOOLS

- 6A:23A-15.1 Definitions
- 6A:23A-15.2 Per pupil calculations, notification and caps
- 6A:23A-15.3 Enrollment counts, payment process and aid adjustments
- 6A:23A-15.4 Procedures for private school placements by charter schools