

POLICY

Board of Education Bernards Township

File Code: M 6422
PURCHASES NOT BUDGETED

The laws of the State and the interest of the community demand fiscal responsibility by the Board of Education in the operation of our School District. The Board directs the implementation of such fiscal controls as will insure that public moneys are not disbursed in amounts in excess of the funds provided to this District and that expenditures do not exceed the amount budgeted for each line item.

Transfer of Funds

When funds allocated to or remaining in a line item account or program category are insufficient for a proposed expenditure, the Superintendent shall request Board approval for the transfer of sufficient funds to meet the expenditure, except that the Superintendent may approve such transfers as are necessary between meetings of the Board, provided the amount transferred from any line item does not exceed 5% percent of the total amount allocated to that line item and shall report any such transfers to the Board for ratification at the next Board meeting at which business resolutions may be considered. Monthly transfers in excess of \$20,000 will be accompanied by a written explanation.

Emergency Purchases

In the event of emergent situations, defined as unforeseen circumstances that would require sooner than 24 hour resolution, and which would adversely affect the schedule of a construction and/or maintenance project or increase the cost, the Superintendent with the concurrence of 2 board members, may approve a change order up to the amount of \$50,000. First efforts will be made to contact members of the appropriate standing committee. The total cost of change orders authorized under this policy may not exceed .5% per bid project. This authorization shall be reviewed and renewed annually. Any such emergency expenditure shall be reported to the Board promptly and submitted to the Board for its ratification at the next meeting. All other change orders of a non emergent nature shall be referred to the appropriate standing committee for recommendation to the full Board.

Overexpenditure of Funds

The Board Secretary shall present the Board a certification each month that no line item account or program category account has been over-expended in violation of law or this policy. In addition, the Board, after review of the Board Secretary's monthly financial report, shall certify in the minutes that no major account or fund has been over-expended and that sufficient funds are available to meet the District's known financial obligations for the remainder of the fiscal year.

If the Board Secretary reports an overexpenditure or the Board is unable to certify that no overexpenditure has been made, the Board shall eliminate the deficit by approving a resolution that transfers amounts among line item items and/or from the free balance.

POLICY - Continued

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State regulations require that whenever an anticipated overexpenditure in the current expense, capital outlay, or debt services accounts may occur, it will be reported immediately to the County Superintendent. The Superintendent will notify the County Superintendent of the projected amount of the anticipated overexpenditure, the reason or reasons for the overexpenditure, and the action taken by the Board to avoid the overexpenditure. Any such corrective action will be recorded in the Board minutes.

The Board recognizes that it is a crime of the fourth degree for a Board member to purposely and knowingly disburse, order, or vote for the disbursement of public funds in excess of appropriation or incur obligations in excess of appropriate and the limit of expenditure set by law.

N.J.S.A. 2C:30-4

N.J.S.A. 18A:18A-1 et seq.; 18A:22-8.1 et seq.

N.J.A.C. 6:20-2A.10(m), 20-2A.11, 20-8.5

Cross Reference: Policy 3300.

ADOPTED: December 18, 2006