

POLICY

RANDOLPH BOARD OF EDUCATION

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Budget Transfers (M)

6422 BUDGET TRANSFERS (M)

~~The Board directs the implementation of such fiscal controls as will ensure 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 account.~~

~~Budget Transfers~~

~~The Business Administrator will not approve an encumbrance or expenditure which, when added to the total of the existing encumbrances and expenditures, exceeds the amount appropriated by the Board in the applicable line item account established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1.~~

~~The Board has adopted an expanded chart of accounts pursuant to N.J.A.C. 6A:23-2.2 (g) 2 and pursuant to N.J.A.C. 6A:23-2.11(a) 2 the Board in accordance with N.J.S.A. 18A:22-8.1, designates the Superintendent to approve such budget transfers as are necessary between Board meetings, provided the transfers are reported to the Board, ratified and duly recorded in the minutes at a subsequent meeting of the Board, but not less than monthly. The Board will determine whether to ratify, by resolution of the Board, the budget transfers between line items which exceed the minimum chart of accounts as per N.J.A.C. 6A:23-2.11(a)2.~~

~~Over expenditure of Funds~~

~~The Board Secretary shall present the Board a certification each month that no line item account has encumbrances and expenditures which, in total, exceed the line item appropriation as defined in the budget transfer section above or are in violation of law or this policy. The Board, after review of the Board Secretary's monthly financial report, shall determine whether to 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 financial obligations for the remainder of the fiscal year.~~

~~If the Board Secretary reports over-expenditure or the Board is unable to certify that no over-expenditure has been made, the~~

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~~Board will eliminate the deficit by approving a resolution that transfers funds among line items and/or from the unreserved fund balance.~~

~~In the event the district is anticipating an over expenditure in the general, capital projects or debt service funds, the Superintendent will notify the County Superintendent pursuant to N.J.A.C. 6A:23-2.11(b). The Superintendent will notify the County Superintendent of the projected amount of the anticipated over expenditure, the reason or reasons for the over expenditure, and the action being taken by the Board to avoid the over expenditure. Any such corrective action will be recorded in the Board minutes.~~

Except as otherwise provided pursuant to N.J.S.A. 18A:22-8.1 and N.J.A.C. 6A:23A-13.1 et seq., whenever the school district desires to transfer amounts among line items and program categories, the transfers shall be by resolution of the Board approved by a two-thirds affirmative vote of the authorized membership of the Board. Each resolution shall indicate the exact amount of the transfers and from the applicable accounts or fund balance.

However, this Board of Education in accordance with the provisions of N.J.S.A. 18A:22-8.1 and this Policy as adopted by the Board, designates the Superintendent of Schools to approve such transfers as are necessary between meetings of the Board. Transfers approved by the Superintendent shall be reported to the Board, ratified and duly recorded in the minutes at a subsequent meeting of the Board, but not less than monthly.

Transfers from line accounts that include waiver amounts approved by the Commissioner and expenditures and/or reallocations directed by the Commissioner are prohibited unless approved in writing by the Executive County Superintendent and in accordance with the provisions of N.J.S.A. 18A:22-8.1. The Board shall submit written requests for transfers including the amount to be transferred, the account(s) to be reduced, the account(s) to be increased, the purpose, and justification. These transfers shall not be requested or made prior to December 1 of the applicable budget year and shall only be approved for an emergent circumstance(s).

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Where actual audited undesignated general fund balance at the fiscal year-end exceeds the estimated amount reflected in the school district's originally approved budget that contained an adjustment to the tax levy limitation approved by the Commissioner, any excess amount shall be reserved for the offset of the Commissioner's waiver requests, if any, in the second subsequent year's budget and reflected as such in the CAFR for the budget year.

Whenever the Executive County Superintendent shall, pursuant to N.J.S.A. 18A:7-8, disapprove a portion of the school district's proposed budget because the district has not implemented all potential efficiencies in its administrative operations or because the budget includes excessive non-instructional expenses, the school district shall not transfer funds back into those accounts during the budget year.

Transfers of surplus amounts or any other unbudgeted or underbudgeted revenue to line items and program categories shall require the approval of the Commissioner of Education and shall only be approved between April 1 and June 30 for line items and program categories necessary to achieve the thoroughness standards established pursuant to section 4 of P.L.2007, c.260 (N.J.S.A. 18A:7F-46); except that upon a two-thirds affirmative vote of the authorized membership of the Board, the Board may petition the Commissioner of Education for authority to transfer such revenue prior to April 1 due to an emergent circumstance and the Commissioner may authorize the transfer if he determines that the transfer is necessary to meet such emergency.

Transfers from any general fund appropriation account that, on a cumulative basis, exceed 10% of the amount of the account included in the school district's budget as certified for taxes shall require the approval of the Commissioner of Education. In a school district wherein the Commissioner of Education has directed an in-depth evaluation pursuant to N.J.S.A. 18A:7A-14, the Board shall obtain the written approval of the Executive County Superintendent of Schools prior to implementing any Board authorized transfer of funds.

No transfer may be made under N.J.S.A. 18A:22-8.1 from appropriations or surplus accounts for interest and debt redemption charges, capital reserve account or items classified as general fund expenses except to other items so classified, or

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to the capital projects fund to supplement the proceeds from a bond authorization or lease purchase agreement upon application to and a formal finding by the Commissioner that the transfer is in the best interest of both the pupils and taxpayers of the district after consideration of alternative corrective actions.

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

~~N.J.S.A. 18A:18A-1 et seq.; 18A:18A-7; 18A:22-8.1; 18A:22-8.2 et seq.~~

~~N.J.A.C. 6A:23-2.11 et seq.; 6A:23-2.3 et seq.~~ **6A:23A-13.1; 6A:23A-13.2; 6A:23A-13.3**

Adopted: 20 February 2008

Amended:

Formerly Policy 670 - Transfers Within Major Accounts which was
Adopted: 14 January 1975