

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 the school district. 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.

A line item account is defined as the lowest (most specific) level of detail in the appropriation or expenditure classification.

Transfer of Funds

When funds allocated to or remaining in a line item account are insufficient for a proposed expenditure, the Chief School Administrator shall request Board approval for the transfer of sufficient funds to meet the expenditure except that the Chief School Administrator may approve such transfers as are necessary between meetings of the Board and shall report any such transfers to the Board for ratification at the next monthly board meeting.

Emergency Purchases

In the event of emergency a purchase order up to the needed amount may be authorized by the Assistant Superintendent for Business. An emergency occurs only when the time required for the Board lawfully to convene and take action would endanger life, cause the destruction of property, or seriously disrupt the educational program. It is not intended by this policy that emergencies shall be permitted to occur as the result of inadequate planning or delay. Any such emergency authorization shall be reported to the Board at its next meeting.

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 overexpended 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 overexpended 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 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 items and/or from the free balance.

## PURCHASES NOT BUDGETED (Continued)

An anticipated overexpenditure in the current expense, capital outlay, or debt services accounts will be reported immediately to the County Superintendent. The Chief School Administrator will notify the County Superintendent of the projected amount of the anticipated overexpenditure, the reason or reasons for the overexpenditure, and the action being taken by the Board to avoid the overexpenditure. Any such corrective action will be recorded in the Board minutes.

In the event the Board has approved a budget with an expanded coding structure, the controls against overexpenditures established by this policy shall apply to all line item accounts, both those at the minimum level of detail required by the State Department of Education and those that exceed that level of detail.

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 appropriations or incur obligations in excess of the appropriate limits of expenditure set by law.

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

N.J.S.A. 18A:18A-1 et seq.; 18A:22-8 et seq.

N.J.A.C. 6:20-2A.10; 6:20-2A.11; 6:20-8.5

### **Legal References:**

<u>N.J.S.A. 10:5-1 et seq.</u>	Law Against Discrimination
<u>See particularly:</u>	
<u>N.J.S.A. 10:5-31 through -35</u>	
<u>N.J.S.A. 18A:18A-1 et seq.</u>	Public Schools Contracts Law
<u>N.J.S.A. 18A:19-1 et seq.</u>	Expenditure of Funds; Audit and Payment of Claims
<u>N.J.A.C. 6:4-1.6(c)</u>	Employment/contract practices
<u>N.J.A.C. 6:8-4.1</u>	Review of mandated programs and services
<u>N.J.A.C. 6A:23-1.2</u>	Definitions
<u>N.J.A.C. 6A:23-2.6</u>	Supplies and equipment
<u>N.J.A.C. 6A:23-6.1 et seq.</u>	Purchase and Loan of Textbooks
<u>N.J.A.C. 6A:23-7.1 et seq.</u>	Management of Public School Contracts
<u>N.J.A.C. 6A:27-9.1 et seq.</u>	Contracting for Transportation Services
<u>N.J.A.C. 6A:30-1.1 et seq.</u>	Evaluation of the Performance of School Districts
20 <u>U.S.C.A. 1681 et seq.</u> -	Title IX of the Education Amendments 1972
42 <u>U.S.C.A. 2000e et seq.</u> -	Title VII of the Civil Rights Act of 1964 as amended by the Equal Employment Opportunities Act of 1972
29 <u>U.S.C.A. 794 et seq.</u> -	Section 504 of the Rehabilitation Act of 1973
<u>Manual for the Evaluation of Local School Districts (August 2000)</u>	

PURCHASES NOT BUDGETED (Continued)

**Possible Cross References:**

- \*2224 Nondiscrimination/affirmative action
- 3300 Expenditures/expending authority
- \*3326 Payment for goods and services
- \*3327 Relations with vendors
- \*3570 District records and reports
- 3571 Financial reports

**Date:** Adopted: 4/28/98

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Second Reading and Final Adoption – May 24, 2005

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