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6111 SPECIAL EDUCATION MEDICAID INITIATIVE (SEMI) PROGRAM

Every New Jersey school district, with the exception of any district that obtains a waiver of the requirements of N.J.A.C. 6A:23A-5.3 pursuant to the procedures set forth at N.J.A.C. 6A:23A-5.3(b), shall take appropriate steps to maximize its revenue from the Special Education Medicaid Initiative (SEMI) Program by following policies and procedures to maximize participation in the program as set forth in N.J.A.C. 6A:23A-5.3(d) and to comply with all program requirements as set forth in N.J.A.C. 6A:23A-5.3(e).

The school district may seek, in the prebudget year, a waiver of the requirements of N.J.A.C. 6A:23A-5.3 in accordance with the procedures as outlined in N.J.A.C. 6A:23A-5.3(b). As part of the annual budget information, the Department of Education shall provide each school district with a projection of available SEMI reimbursement for the budget year, as determined by the State Department of Treasury's third party administrator for SEMI.

Beginning with the 2009-2010 school year, the school district shall recognize as revenue in its annual school district budget no less than ninety percent of the projection provided by the Department of Education. The district may seek approval from the Executive County Superintendent to use its own projection of SEMI reimbursement upon demonstration that the numbers it used in calculating the projection are more accurate than the projection provided.

The school district shall strive to achieve maximum participation in the SEMI program. "Maximum participation" means obtaining a ninety percent return rate of parental consent forms for all SEMI eligible pupils. Districts shall enter all pupils following their evaluations into the third-party system to identify the district's universe of eligible pupils. This can be done without parental consent.

Districts participating in the SEMI reimbursement program shall comply with program requirements as outlined in N.J.A.C. 6A:23A-5.3(e).

Each school district that has less than ninety percent participation of SEMI eligible pupils in the 2007-2008 school year or has failed to comply with all program requirements set forth in N.J.A.C. 6A:23A-5.3(e) shall demonstrate a good faith effort to achieve maximum participation and to maximize available SEMI revenue during the 2008-2009 school year by submitting a SEMI action plan to the Executive County Superintendent for review and approval by September 1, 2008. In subsequent years, each school district that has less than ninety percent participation of SEMI eligible pupils in the prebudget year or that has failed to comply with all program



requirements set forth in N.J.A.C. 6A:23A-5.3(e) shall submit a SEMI action plan to the Executive County Superintendent for review and approval as part of the school district's proposed budget submission. The district's SEMI action plan shall include the components as outlined in N.J.A.C. 6A:23A:5.3(g).

Districts that did not achieve ninety percent participation or achieve their approved benchmarks in the SEMI program for a given budget year and cannot demonstrate that they fully implemented their Department of Education approved SEMI action plan, shall be subject to review for the withholding of State aid by the Commissioner pursuant to N.J.S.A. 18A:55-3 in an amount equal to the SEMI revenue projection based on their approved benchmark for the budget year, if applicable, less actual SEMI reimbursements for the budget year. The State aid deduction shall be made in the second subsequent year after the budget year.

N.J.A.C. 6A:23A-5.3

Adopted: September 22, 2008
May 26, 2009



6112 REIMBURSEMENT OF FEDERAL AND OTHER GRANT EXPENDITURES

The Cash Management Improvement Act (CMIA) and related Federal regulations require a State to minimize the time elapsing between the transfer of funds from the United States Treasury and the expenditure of funds for program purposes. This requirement applies to grantees such as the State of New Jersey and their subgrantees, such as a school district. The State of New Jersey and school districts must assure funds have been, or will be, spent within a minimal amount of time after having been drawn from the Federal government.

In accordance with this requirement, the New Jersey Department of Education (NJDOE) has implemented a reimbursement request system of payment. The procedures as outlined in the New Jersey Department of Education Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures shall be followed by school districts in submitting reimbursement requests. Reimbursement requests for entitlement grant awards under Titles I, II-A, II-D, III, III Immigrant, IV and V of the No Child Left Behind Act (NCLB), the Individuals with Disabilities Education Act (IDEA), and the Carl D. Perkins Career and Technical Education Improvement Act of 2006 shall be made using the NJDOE's Electronic Web-Enabled Grant (EWEG) System.

Reimbursement requests by the School Business Administrator/Board Secretary or designee shall be made for individual titles and awards using the payment functionality of the EWEG system. Reimbursement requests shall be made for individual titles and awards and only one reimbursement request per month may be submitted for an individual title or award. Reimbursement requests may only be for expenditures that have already occurred or will occur by the last calendar day of the month in which the request is made.

The submission of a reimbursement request constitutes a certification by the School Business Administrator/Board Secretary that the school district has previously made the appropriate expenditures and/or will make the expenditures by the last calendar day of the month in which the request is made and that the expenditures are allowable and appropriate to the cost objective(s) of the subgrant. Reimbursement requests must be in accordance with approved grant applications.

The Superintendent of Schools or designee is responsible for submitting an amendment application to the NJDOE for approval if a new budget category for which no funds were previously budgeted or approved has been created. The Superintendent of Schools or designee is responsible for submitting an amendment application to the NJDOE for



Reimbursement Of Federal And Other Grant Expenditures

approval if cumulative transfers among expenditure categories exceed ten percent of the total award or \$50,000 for IDEA, Perkins, and NCLB (per title); whichever is less.

A reimbursement request may be submitted at any time after the subgrant has received final NJDOE approval. Reimbursement requests submitted at least ten business days before the end of the month but no later than the fifteenth day of the month will be reviewed and, if approved, processed for payment the first business day of the following month. School districts will normally receive payment by the fifth business day of the month and will be able to track the grant's payment history in EWEG through the payments link of the grant application.

Reimbursement requests must contain a brief description of the expenditures for which reimbursement is being requested. Individual line items need not be detailed. Expenditures must be supported by documentation at the school district level but should not be submitted to the NJDOE with a reimbursement request. The Superintendent of Schools or designee is responsible to maintain supporting documentation for seven years and for making it available to the NJDOE, the United States Department of Education, and/or their authorized representatives upon request. Documentation for salary expenditures is subject to the requirements of the applicable Federal Office of Management and Budget Circular: A-21, "Cost Principles for Educational Institutions;" A-87, "Cost Principles for State, Local, and Indian Tribal Governments;" A-122, "Cost Principles for Non-Profit Organizations;" and Education Department General Administrative Regulations (EDGAR). Documentation for all other expenditures must include evidence that the expenditures are allowable costs and of the relationship of the expenditure to the subgrant's cost objectives.

The NJDOE staff will review reimbursement requests to determine they meet the subgrant's criteria. When a reimbursement request is approved or denied, the school district will receive an email notification through the EWEG system. Approval of a reimbursement request by NJDOE does not imply approval of the expenditures as allowable or appropriate to the subgrant's cost objectives as the approval of expenditures will continue to be processed through the final report. The School Business Administrator/Board Secretary or designee assumes responsibility for assuring that all funds requested through the EWEG system either have already been expended, or will be expended according to the requirements of the CMIA.

New Jersey Department of Education Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures – July 2008

Adopted: October 25, 2010



6141 TAX REVENUES

The Board of Education believes that the interests of district taxpayers as well as the interests of the educational program are best served by the orderly, planned transfer of tax revenues to the school district as such funds are required to pay the debts of the district.

The Board Secretary shall request the Municipal Treasurer to transfer tax revenues in anticipation of district expenditures in accordance with law and as approved by this Board of Education.

N.J.S.A. 18A:17-34

N.J.S.A. 54:4-75

Adopted: May 26, 2009



6150 TUITION INCOME

The Board of Education will charge and assess tuition for attendance in the schools of this district by pupils not entitled to receive a free public education in this district and whose enrollment has been approved by the Board.

Tuition rates will be determined, charged and paid in accordance with N.J.A.C. 6A:23-3.1 et seq.

A receiving public school district Board and a sending public school district Board will establish a written contractual agreement for the ensuing school year with a tentative tuition charge multiplied by the estimated average daily enrollment in accordance with N.J.A.C. 6A:23-3.1(f). The sending district is required in the contractual agreement to pay ten percent of the tentative tuition charge no later than the first of each month from September through June of the contract year. Adjustments will be made in accordance with N.J.A.C. 6A:23-3.1(f).

The Board will, with consent of the Board upon such terms, admit nonresident pupils on a tuition basis pursuant to N.J.S.A. 18A:38-3.

The Board Secretary shall be responsible for the assessment and collection of tuition. Tuition assessment and billing will be in accordance with N.J.A.C. 6A:23-3.1 et seq.

The County Superintendent in the county in which the receiving district is located should be consulted to mediate disputes that arise from tuition matters as defined in N.J.A.C. 6A:23-3.1(f)5.

N.J.S.A. 18A:38-3; 18A:38-19; 18A:46-21
N.J.A.C. 6A:23-3.1 et seq. through 3.4 et seq.
N.J.A.C. 6A:14-7.8

Adopted: May 26, 2009



6160 GRANTS FROM PRIVATE SOURCES

The Board of Education encourages the development of proposals to private foundations and other sources of financial aid to subsidize such activities as innovative projects, feasibility studies, long-range planning, and research and development. Any such activity must:

1. Be based on a specific set of project objectives that relate to the established goals of the district;
2. Provide measures for evaluating whether or not project objectives are being achieved; and
3. Conform to applicable state and federal laws and to Board policies.

All grant proposals must be approved by the Board before being submitted to the funding agency. The Superintendent shall establish regulations for the processing of proposal ideas throughout the district.

Adopted: May 26, 2009



6162 CORPORATE SPONSORSHIPS

The Board of Education recognizes and appreciates the financial support received from federal and State funding sources and from local taxpayers. The Board desires to expand revenue sources for the financial needs of the school district and encourages financial support to the school district from non-school sponsored organizations. A “corporate sponsor”, for the purposes of this Policy, is a non-school sponsored person and/or organization that offers to provide support to the school district through financial or material means in exchange for recognition and/or acknowledgement.

The Board believes school-community relationships based on sound principles and community input can contribute to maintaining and improving high quality education programs and facilities. Corporate sponsorship activities that are consistent with the goals and objectives of the school district may be evaluated and recommended to the Board of Education for implementation within the district by the Superintendent. This Policy shall be administered to protect the school district’s name, pupils, and/or staff against exploitation.

Corporate Sponsorship Proposals

A potential corporate sponsor must submit a written corporate sponsorship proposal to the Superintendent. An organization’s sponsorship activity may include, but is not limited to, financial support to a school curricular or co-curricular activity or program, a school facility improvement, and/or a school assembly program. No pupil or staff member will be required to participate in surveys and/or focus groups as a condition of a corporate sponsorship.

In appreciation for such sponsorship, the school district will appropriately acknowledge the organization’s contribution to the school district. The acknowledgment may include a public address announcement at an activity, signage at the activity or on school grounds, or through other reasonable means. Posting of signs identifying the sponsor shall not be considered the district’s endorsement of the product or service of a company.

The Board reserves the right to terminate the sponsorship at any time. Therefore, all corporate sponsorship proposals must include provisions for such termination, which may include the return of any funding, goods, and/or services provided to the district.

The corporate sponsorship proposal shall include the specific sponsorship activity, the proposed time period/duration of the activity, the requested acknowledgement, and the terms of termination in the event the Board decides to terminate such corporate sponsorship. The return of any benefits provided to the district as a result of the Board’s termination will be limited to and in accordance with the provisions of the written corporate sponsorship proposal approved by the Board.



Board Approval of Corporate Sponsorship Activities

In the event there are competing proposals for the same or similar sponsorship, the Board President will designate an Ad Hoc Board Committee to review the Superintendent's recommendation to the Board. All corporate sponsorship proposals recommended by the Superintendent will be discussed at a public Board meeting with the proposal being included on the Board Meeting agenda in accordance with Bylaw 0164 – Conduct of Board Meetings.

Acceptance of Corporate Sponsorships

Any sponsored or donated material, equipment, personal property or other benefit derived by the district through corporate sponsorships will be held to the same standards used for district purchases. Corporate sponsorship proposals that provide gifts, grants, and donations to the school district shall be accepted in accordance with the provisions of Policy 7230 – Gifts, Grants and Donations.

Applicable Laws

All corporate sponsorship proposals presented and approved by the Board shall be consistent with all district collective bargaining agreements, competitive bidding and purchasing laws, district policy and regulations, and all applicable federal and State laws, administrative codes, rules, and regulations.

Adopted: May 26, 2009



6220 BUDGET PREPARATION (M)

The annual budget is the financial plan for the effectuation of the educational plan for the district; its preparation is, therefore, one of the most important functions performed by the Board of Education. The budget shall be designed to carry out that plan in a thorough and efficient manner, to maintain school district facilities, and to honor continuing obligations of the district.

A proposed budget requires the critical analysis of every member of the Board during its preparation. The administration shall work with the Board to ensure Board members have a thorough understanding of the budget appropriations, budget revenue, the proposed educational program and the budget's impact to the local tax levy. The Board shall also provide opportunities for community input at Board meetings during the budget development process.

The annual school district budget and supporting documentation shall be prepared in accordance with the provisions of N.J.S.A. 18A:7F et seq. and N.J.A.C. 6A:23A-8.1 et seq. The Board will obtain approval of the local funding for a non-referendum capital project (school facility project or other capital project) in accordance with the provisions of N.J.A.C. 6A:23A-8.4.

The Board will submit its proposed budget and supporting documentation as prescribed by the Commissioner to the Executive County Superintendent for approval.

The budget will be presented to the Board of Education to allow adequate time for review and adoption. The budget should evolve primarily from the needs of the individual schools as expressed by the Building Principals and the district educational program as expressed by the central administrative staff and be compatible with approved district plans.

The Board shall include in the budget application to the Executive County Superintendent a complete reporting of revenues and appropriations and other requirements pursuant to N.J.S.A. 18A:22-8 and N.J.S.A. 18A:7F-5 through 63.

The Board, upon submission of its budget application to the Executive County Superintendent or by the statutory submission date, whichever is earlier, shall make available upon request for public inspection all budget and supporting documentation contained in the budget application and all other documents listed in N.J.A.C. 6A:23A-8.1 once the budget application has been submitted to the Executive County Superintendent for approval.



The budget as adopted for the school year pursuant to N.J.S.A. 18A:7F-5 shall be provided for public inspection on the district's Internet site, if one exists, and made available in print in a "user-friendly" plain language budget summary format in accordance with the provisions of N.J.A.C. 6A:23A-8.1(c).

All budgetary and accounting systems used in the school district must be in accordance with double entry bookkeeping and Generally Accepted Accounting Principles as required in N.J.A.C. 6A:23A-16.1 et seq.

N.J.S.A. 18A:7F et seq.; 18A:22-7 et seq.
N.J.A.C. 6A:23A-8.1 et seq.; 6A:23A-16.1 et seq.

Adopted: May 26, 2009
Revised: june 20, 2011



6230 BUDGET HEARING

The annual budget adopted by the Board of Education and approved by the County Superintendent represents the Board's position on the allocation of resources required to operate a thorough and efficient system of education. All reasonable means shall be employed by the Board to present and explain that position to residents and taxpayers of the community. A public budget hearing will be conducted in accordance with law. Each member of the Board and each district administrator shall be sufficiently acquainted with the budget and its underlying purposes to answer questions from members of the public.

The approved budget will be made available to the public in the form and at the places required by law. A simplified form of the budget may also be prepared annually and may be sent to each district resident, each parent(s) or legal guardian(s) of a pupil in public school, and representative of community organizations and distributed to each person attending the annual budget hearing.

The simplified budget may include the expenditure in each major category of current expense, capital items, and debt service; any anticipated change in tax rates; a summary of anticipated receipts; information that voters may use in comparing budget provisions in this school district with those in comparable districts; brief explanations of significant increases and decreases from the preceding budget and important transfers of expenditures from one classification to another; and a letter of transmittal from the Board.

N.J.S.A. 18A:7A-51; 18A:22-10 et seq.; 18A:22-37 et seq.

Adopted: May 26, 2009



6311 CONTRACTS FOR GOODS OR SERVICES FUNDED BY FEDERAL GRANTS

Any vendor providing goods or services to the school district to be funded by a Federal grant must be cleared for contract in accordance with the provisions of the Federal Acquisition Regulations (FAR) Subpart 9.4 – Debarment, Suspension, and Ineligibility.

The Supervisor of Accounting or his/her designee shall be responsible to check the web-based Excluded Parties Lists System (EPLS) maintained by the General Services Administration (GSA). The purpose of the EPLS is to provide a single comprehensive list of individuals and firms excluded by Federal government agencies from receiving Federal contracts or Federally approved contracts or Federally approved subcontracts and from certain types of Federal financial and nonfinancial assistance and benefits.

The School Business Administrator/Board Secretary or his/her designee, upon opening of bids or upon receipt of proposals for goods or services to be funded by a Federal grant shall review the EPLS to determine if the vendor has been disbarred, suspended, or proposed for disbarment. The School Business Administrator/Board Secretary shall also review the EPLS list immediately prior to the award of a bid or contract to ensure that no award is made to a vendor on the list.

In the event a vendor under consideration to be awarded a bid or contract for goods or services to be funded by a Federal grant is on the EPLS list or proposed for disbarment, the School Business Administrator/Board Secretary shall comply with the contracting restrictions as outlined in FAR Subpart 9.405.

Continuation of current contracts and restrictions on subcontracting with vendors who are on the EPLS list or proposed for disbarment shall be in accordance with the limitations as outlined in FAR Subparts 9.405.1 and 9.405.2.

Any rejection of a bid or disqualification of a vendor who has been disbarred, suspended, or proposed for disbarment shall be consistent with the requirements as outlined in N.J.S.A. 18A:18A – Public School Contracts Law and all applicable State laws.

Federal Acquisition Regulations (FAR) Subpart 9.4

Adopted: June 20, 2011



6320 PURCHASES SUBJECT TO BID

The Board of Education directs the establishment and conduct of bidding procedures that serve the public interest and provide each qualified vendor an equal opportunity to furnish goods and services to the district.

Every contract for the performance of work or the purchase or lease of materials or supplies not exempted by law will be subject to public bidding whenever the aggregate value of such a contract within one contract year exceeds the bid threshold established by law and in accordance with N.J.S.A. 18A:18A-3.(a). Whenever possible, purchases will be aggregated; purchases may not intentionally be divided to avoid the requirements for competitive bidding as required in N.J.S.A. 18A:18A-8. The purchase of textbooks and materials that exceed the bid threshold and are approved by the Board pursuant to N.J.S.A. 18A:34-1 shall not require the further adoption of a resolution for purchase.

Bid specifications will be prepared and/or are coordinated by the School Business Administrator/Board Secretary. Each bid specification will offer a common standard of competition and will assert the Board's right to accept reasonable equivalents and to reject all bids and readvertise. The School Business Administrator/Board Secretary is authorized to advertise for bids in accordance with N.J.S.A. 18A:18A-21 without the prior approval of the Board, but shall inform the Board of any such advertisement at the Board meeting next following. Records of advertisements will be kept in detail sufficient to show that a reasonable number of qualified vendors were invited to bid.

Bids shall be opened publicly by the School Business Administrator/Board Secretary or designee before one or more witnesses at a previously designated time and place. Contracts will be awarded, on a resolution duly adopted by the Board, to the lowest responsible bidder who submits the lowest responsible bid, except that the Board may choose to reject all bids, to readvertise, or to purchase under a State contract. The Board may disqualify a bidder who would otherwise be determined to be the lowest responsible bidder in accordance with N.J.S.A. 18A:18A-4. Whenever two or more bids are the lowest bids submitted by responsible bidders, the Board shall determine to which bidder the contract will be awarded.

The bid of a vendor who claims, before bids are opened, a mistake or omission in its preparation will be returned unopened. A bidder who discovers a mistake or omission after bids have been opened may withdraw the erroneous bid provided he or she gives immediate written notice of the mistake or omission and certification, supported by clear evidence, that he or she exercised reasonable care in the examination of the specifications and preparation of the bid. Any bidder who withdraws an opened bid shall forfeit any bid security deposited with the bid in accordance with law.



POLICY

POINT PLEASANT SCHOOLS

FINANCES
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Purchases Subject to Bid

In accordance with the provisions of N.J.A.C. 6A:23A-5.4, pursuant to the authority granted the Commissioner of Education under N.J.S.A. 18A:55-2 and N.J.S.A. 18A:7F-60, the Commissioner shall subject to review for the withholding of State funds any school district that fails to obey the provisions of the Public Contract law, N.J.S.A. 18A:18A-1 et seq. The amount of funds to be withheld shall equal the amount of the contract awarded in violation of the provisions of N.J.S.A. 18A:18A-1 et seq. except for violations related to the award of contracts under the extraordinary unspecifiable services (EUS) provision which shall be governed by the provisions of N.J.S.A. 18A:18A-46.1.

N.J.S.A. 18A:18A-1 et seq.
N.J.A.C. 6A:23A-5.4; 6A:27-9.1 et seq.

: September 22, 2008
Adopted: May 26, 2009



6340 MULTIPLE YEAR CONTRACTS

The Board of Education may enter a multiple year contract for goods and services permitted by law whenever the extended contract will serve the needs of the district and yield greater return for the expenditure.

The School Business Administrator/Board Secretary is directed to investigate the advantage to the district of multiple year contracts. Investigation should include, but need not be limited to, a comparison of the costs of multiple year and single year contracts, an analysis of trends in the costs and availability of the goods or services to be provided, the projected needs of the district, and an inquiry into the reliability and stability of the vendor.

Except for those contracts exempted from the requirement by law, all multiple year contracts will contain a cancellation clause or a clause conditioning annual extension of the contract on the appropriation of sufficient funds to meet the Board's obligation.

All multiple year contracts must be approved by the Board. When the estimated annual cost of a multiple year contract exceeds the bid threshold established by law and the subject of the contract is not exempt from bidding, the contract shall be advertised in accordance with law and the bidding procedures of this district.

N.J.S.A. 18A:18A-5; 18A:18A-42

Adopted: May 26, 2009



6350 COMPETITIVE CONTRACTING

Competitive contracting may be used in lieu of public bidding for specialized goods or services that exceed the bid threshold provided the process is administered by a purchasing agent, by legal counsel of the Board of Education, or by the School Business Administrator and pursuant to N.J.S.A. 18A:18A-4.1. et seq. Competitive contracting may only be used for the purposes provided in N.J.S.A. 18A:18A-4.1. Unless an exception is provided for under N.J.S.A. 18A:18A-42 permitting a longer contract duration, contracts awarded under competitive contracting may be for a term not to exceed five years.

The purchasing agent will prepare a request for proposal documentation, which will include all requirements deemed appropriate and necessary to allow for full and free competition between vendors, information necessary for potential vendors to submit a proposal, and a methodology by which the Board will evaluate and rank proposals received from vendors. The methodology for the awarding of competitive contracts will be based on an evaluation and ranking and will be developed in a way that is intended to meet the specific needs of the district and where such criteria will not unfairly or illegally discriminate against or exclude otherwise capable vendors. The methodology for awarding competitive contracts will comply with such rules and regulations as the Director of the Division of Local Government Services in the Department of Community Affairs may adopt in accordance with N.J.S.A. 18A-4.4.

Request for Proposal documentation will be published in an official newspaper of the Board at least twenty days prior to the date established for the submission of proposals. The Board may charge a fee for the proposal documentation that will not exceed \$50.00 or the cost of reproducing the documentation, whichever is greater.

Each interested vendor will be required to submit a proposal which will include all the information required by the request for proposals. Failure to meet the requirements of the request for proposals may result in the Board disqualifying the vendor from further consideration. Under no circumstances will the provisions of a proposal be subject to negotiation by the Board.

If the Board, at the time of solicitation, utilizes its own employees to provide the goods or perform the services, or both considered for competitive contracting, the Board will, at any time prior to, but no later than the time of solicitation for competitive contracting proposals, notify affected employees of the Board's intention to solicit competitive contracting proposals pursuant to N.J.S.A. 18A:18A-4.5.c. Employees or their representatives will be permitted to submit recommendations and proposals affecting wages, hours, and terms and conditions of employment in such a manner as to meet the goals of the competitive contract. If employees are represented by an organization that has negotiated a contract with the Board, only the bargaining unit will be authorized to submit such recommendations or proposals. When requested by such



employees, the Board will provide such information regarding budgets and the costs of performing the services by such employees as may be available. Nothing will prevent such employees from making recommendations that may include modifications to existing labor agreements in order to reduce such costs in lieu of award of a competitive contract, and agreements implementing such recommendations may be considered as cause for rejecting all other proposals.

The purchasing agent will evaluate all proposals only in accordance with the methodology described in the request for proposals. After proposals have been evaluated, the purchasing agent will prepare a report evaluating and recommending the award of a contract or contracts. The report will be prepared pursuant to N.J.S.A. 18A:18A-4.5.d. The report will be made available to the public at least 48 hours prior to the awarding of the contract, or when made available to the Board, whichever is sooner. The Board will have the right to reject all proposals for any of the reasons set forth in N.J.S.A. 18A:18A-22.

Award of a contract will be made by resolution of the Board within sixty days of the receipt of the proposals, except that the proposals of any vendors who consent thereto, may, at the request of the Board, be held for consideration for such longer period as may be agreed.

The report prepared pursuant to this Policy and Regulation No. 6350 will become part of the public record and will reflect the final action of the Board. Contracts will be executed pursuant to N.J.S.A. 18A:18A-40.

The Secretary of the Board will publish a notice in the official newspaper of the Board summarizing the award of a contract pursuant to N.J.S.A. 18A:18A-4.5g.

N.J.S.A. 18A:18A-1 et seq.

Adopted: May 26, 2009



6360 POLITICAL CONTRIBUTIONS (M)

Political Contribution Disclosure Requirements

In accordance with the requirements of Section 2 of P.L. 2005, Chapter 271 (N.J.S.A. 19:44A-20.26), the Board of Education shall have on file, to be maintained with other documents related to a contract, the following documents to award a contract to any business entity receiving a contract with an anticipated value in excess of \$17,500, regardless of the basis upon which the contract is awarded:

1. A Political Contribution Disclosure (PCD) form submitted by the business entity (at least ten days prior to award); and
2. A Business Registration Certificate (anytime prior to award).

“Business entity” means a natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other State or foreign jurisdiction.

The \$17,500 contract amount is not related to the Board’s bid threshold and does not exempt the district from the requirements of the Public School Contracts Law or other applicable purchasing statutes.

The \$17,500 contract amount threshold is subject to the principle of aggregation rules in accordance with the Division of Local Government Services guidance. Unlike the Public School Contracts Law, aggregation thresholds for this Policy and Chapter 271 purposes shall be calculated at the vendor level – meaning, when a vendor receives more than \$17,500 in a school district’s fiscal year, a PCD form shall be required.

The disclosure provisions of N.J.S.A. 19:44A-20.26 do not apply in cases where there is a “public emergency” that requires the immediate delivery of goods or services.

Insurance companies and banks are prohibited under State law from making political contributions. However, because the PCD form reflects contributions made by partners, Boards of Directors, spouses, etc., PCD forms are required ten days prior to the approval of a depository designation resolution or insurance company contract awarded by the Board. A PCD form is also required when a



contract in excess of \$17,500 is made to an insurance broker. A PCD form is required from the company receiving the contract, regardless of the entity issuing an insurance policy.

PCD forms are required for Board of Education contracts in excess of \$17,500 with a New Jersey Department of Education “Approved In-State Private School for the Disabled.” Chapter 271 also applies to in-State private special education schools, supplemental educational services under NCLB, early childhood school providers – DHS approved, and other similar programs.

If the school district spends more than \$17,500 in a school year with a newspaper, the selection of the newspaper is subject to the provisions of Chapter 271.

PCD forms are not required for regulated public utility services, as the Board is required by the Board of Public Utilities to use a specific utility. This exception does not apply to non-regulated public utility services, such as generated energy (not tariffed), or long-distance telephone services where other procurement practices are used.

PCD forms are not required for membership to the New Jersey School Boards Association.

A non-profit organization having proper documentation from the Internal Revenue Service (IRS) showing it is registered with the IRS as a 501(c) type corporation is not required to file a PCD form.

A PCD form is not required for contracts with governmental agencies, including State colleges and universities.

If the original contract provided for the possibility of an extension(s), Chapter 271 compliance is not required if the extension/continuation is based on that original contract.

N.J.S.A. 19:44A-1 et seq.

N.J.A.C. 6A:23A-6.3

New Jersey Department of Community Affairs Local Finance Notices - 6/4/07 & 1/15/10

Adopted: September 22, 2009

Revised: January 24, 2011



6362 CONTRIBUTIONS TO BOARD MEMBERS AND CONTRACT AWARDS (M)

As a condition of receiving State aid, the school district shall comply with the provisions of N.J.A.C. 6A:23A-6.3 to ensure the school district maintains honest and ethical relations with vendors and shall guard against favoritism, improvidence, extravagance, and corruption in its contracting processes and practices.

For the purposes of this Policy, “business” means any corporation, partnership, firm, enterprise, franchise, trust, association, sole proprietorship, union, political organization, or other legal entity but shall not include a local public school district or any other public entity. “Business entity” means any natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of this State or of any other State or foreign jurisdiction. “Interest” means the ownership or control of more than ten percent of the profits or assets of a business entity or ten percent of the stock in the case of a business entity that is a corporation for profit, as appropriate.

In accordance with the provisions of N.J.A.C. 6A:23A-6.3:

1. No Board of Education will vote upon or award any contract in the amount of \$17,500 or greater to any business entity which has made a contribution reportable by the recipient under P.L. 1973, c. 83 (N.J.S.A. 19:44A-1 et seq.) to a member of the Board of Education during the preceding one-year period.
2. Contributions reportable by the recipient under P.L. 1973, c. 83 (N.J.S.A. 19:44A-1 et seq.) to any member of the Board of Education from any business entity doing business with the school district are prohibited during the term of a contract.
3. When a business entity referred to in 2. above is a natural person, a contribution by that person’s spouse or child that resides therewith shall be deemed to be a contribution by the business entity. Where a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity.



Contributions To Board Members And Contract Awards (M)

4. The disclosure requirement set forth in section 2 of P.L. 2005, c. 271 (N.J.S.A. 19:44A-20.26) also shall apply when the contract is required by law to be publicly advertised for bids.

A Business Entity Disclosure Certification (BED-C) shall be submitted by the business entity for all contracts of \$17,500 or greater in order to facilitate disclosure of contributions to Board members by a business entity. The BED-C shall be reviewed prior to the award of any contract in excess of \$17,500 to ensure the Board of Education's compliance with N.J.A.C. 6A:23A-6.3(a).

The requirements of N.J.A.C. 6A:23A-6.3 shall not apply to a contract when a district emergency requires the immediate delivery of goods or services. With the exception of districts previously subject to the requirements of N.J.A.C. 6A:10-2.1(e), N.J.A.C. 6A:23A-6.3 shall not apply to contributions made prior to its effective date.

N.J.A.C. 6A:23A-6.3

Adopted: September 22, 2009

Revised: January 24, 2011



6421 PURCHASES BUDGETED

The Board of Education directs the establishment of procedures for the purchase of budgeted goods and services that will make prudent use of district resources and yield the maximum value for the school district. The School Business Administrator/Board Secretary shall authorize all purchases that are within a budget line item and are consistent with the purpose for which the funds were appropriated.

No purchase order may be placed until the School Business Administrator/Board Secretary has determined whether the proposed purchase is subject to bid, whether sufficient funds exist in the line item, and whether the goods are available elsewhere in the district.

Whenever the estimated value of a purchase or contract for goods or services other than professional services N.J.S.A. 18A:18A-5(1) and work by employees of the Board N.J.S.A. 18A:18A-5(3) is fifteen percent or more of the bid threshold established in accordance with N.J.S.A. 18A:18A-3 and N.J.S.A. 18A:18A-37 and is not made under a state contract, the purchasing agent shall, whenever practicable, solicit at least two quotations from independent vendors. All quotations received will be attached to and retained with a copy of the voucher used to pay the vendor.

All contracts that are in the aggregate less than fifteen percent of the bid threshold may be awarded by the School Business Administrator/Board Secretary without soliciting competitive quotations.

The purchase or contract may be awarded on the basis of the lowest responsible quotation received or to the vendor who submits the quotation most advantageous to the Board on the basis of price and other factors. If it is determined that it is impractical to seek quotations for an extraordinary, unspecifiable service or that the purchase or contract for which quotations were sought should not be awarded on the basis of the lowest quotation received, the reasons for that determination will be set forth in writing and attached to the resulting purchase order or contract.

Supplies commonly used in the various schools will be standardized to the extent that it is educationally feasible to do so. Alternate suggestions will be made to a requisitioner if better service, delivery, economy, or utility can be achieved by a change in the proposed order.

When a purchase order is placed or a contract entered, the Accounts Payable Accountant shall commit the expenditure against a specific budget line item or project category in order to guard against the creation of liabilities in excess of appropriations.

N.J.S.A. 18A:18A-1 et seq.; 18A:18A-37; 18A:22-8
N.J.A.C. 5:34-2.1; 5:34-2.2

Adopted: May 26, 2009



6422 BUDGET TRANSFERS

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 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 ratified to the Board 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).

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 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. 18A:22-8.1; 18A:22-8.2

N.J.S.A. 6A:23A-13.1; 6A:23A-13.2; 6A:23A-13.3

Adopted: May 26, 2009

Revised: October 25, 2010



6423 EXPENDITURES FOR NON-EMPLOYEE ACTIVITIES, MEALS
AND REFRESHMENTS

There may be school district activities where expenditures for non-employee activities, meals, and refreshments may occur. Expenditures for non-employee activities, meals, and refreshments for school district activities are allowed provided the expenses are in accordance with the provisions of N.J.A.C. 6A:23A-5.8. For the purposes of this Policy, unless the context clearly indicates otherwise, “activities” means events or functions provided or held for the benefit of pupils, dignitaries, and other “non-district” employees (e.g. parents) which are paid from public funds. “Dignitary” means a notable or prominent public figure; a high level official; or one who holds a position of honor. A dignitary, for purposes of this Policy, is not a school district employee or Board of Education member.

Allowable expenditures for non-employee school district activities shall include:

1. All reasonable costs, including light meals and refreshments, directly related to activities that benefit pupils and are part of the instructional program including expenditures for field trips and extracurricular programs that are not solely for entertainment. Nothing in this Policy or N.J.A.C. 6A:23A-5.8 shall preclude the district from using student activity funds or accepting donations to support pupil activities that are solely for pupil entertainment;
2. All reasonable costs directly related to activities of dignitaries and other “non-district” employees (e.g. parents), including light meals and refreshments and any other directly related expense. Expenditures for this purpose shall be minimal and infrequent;
3. All reasonable costs of commencement and convocation activities for pupils; and
4. Expenditures related to district employees to the extent such employees are essential to the conduct of the activity.

The Board shall, at a minimum, take actions regarding pupil activities as follows:

1. Pre-approve field trip destinations;
2. Establish dollar thresholds for awards to recognize special accomplishments; and



3. Establish a budget supported by general fund revenues for each category of activity in a non-discriminatory manner (e.g. football, boys soccer, girls soccer, photography club). Student activity funds are excluded.

Pursuant to N.J.S.A. 18A:11-12 and State of New Jersey Department of Treasury, Office of Management and Budget Circular 08-19-OMB and 06-14-OMB, the following costs shall not be permitted using public funding:

1. Receptions, dinners, or other social functions held for or honoring any employee or group of employees of the district (e.g. breakfast, luncheon, dinner, or reception for retirees or award recipients). This does not prohibit the district from honoring employees without a social function or using public funds to support reasonable costs of employee recognition awards (e.g. teacher of the year awards, years of service awards). Use of public funds for reasonable costs of employee awards is a local discretionary expenditure;
2. Meals or refreshments served to guests at any athletic event or other games or contests; and/or
3. Expenses for alcoholic beverages.

The School Business Administrator/Board Secretary and/or designee shall maintain documentation to support activities, meals, and refreshments at district events. The documentation shall include a description of the activity, the purpose/justification of the activity, expressed in terms of the goal(s) or objective(s) of the district, the make-up of the group participating in the activity, and the names and titles of Board members or employees included in the group.

N.J.A.C. 6A:23A-5.8

Adopted: September 22, 2008
May 26, 2009



6424 EMERGENCY CONTRACTS

Any contract may be negotiated or awarded for a Board of Education without public advertising for bids and bidding notwithstanding that the contract price will exceed the bid threshold when an emergency affecting the health or safety of occupants of school property requires the immediate delivery of goods or the performance of services.

If the School Business Administrator/Board Secretary is satisfied that an emergency exists, he/she shall be authorized to award a contract or contracts for such purposes as may be necessary to respond to the emergent needs pursuant to the provisions of N.J.S.A. 18A:18A-7 et seq.

If conditions permit, the School Business Administrator/Board Secretary shall seek quotations from more than one source. If the expenditures are expected to be in excess of the bid threshold, the School Business Administrator/Board Secretary shall attempt to obtain no fewer than three quotations.

When emergency conditions have eased, the School Business Administrator/Board Secretary shall utilize the regular purchasing system to obtain estimates from suppliers, vendors, and contractors for materials and/or services that will eliminate the circumstances that created the emergency.

The School Business Administrator/Board Secretary shall prepare and submit a final report to the Board on every occasion an emergency contract is negotiated or awarded in accordance with the provisions of N.J.S.A. 18A:18A-7.

N.J.S.A. 18A:18A-7

Adopted: May 26, 2009



6440 COOPERATIVE PURCHASING

The Board of Education recognizes that centralized, cooperative purchasing tends to maximize the value received for each dollar spent. The Administration is encouraged to seek savings that may accrue to this district by means of joint agreements for the purchase of goods or services with the governing body of the municipality or the county within whose boundaries the school district is wholly or partly located, or by means of contracts entered into by the New Jersey State Treasury Department, Division of Purchase and Property.

A cooperative pricing system is a purchasing system in which the lead agency advertises for bids, awards a master contract to the vendor providing for its own needs and for the prices to be extended to registered members, and notifies them of the bid prices awarded. The registered members then contract directly with the vendor for their own needs, subject to the specifications in the master contract.

A joint purchasing system is a cooperative purchasing system in which the lead agency has complete purchasing responsibility for the registered members, and the only contractual relationship is between the lead agency and the vendor.

A cooperative purchasing system is either a joint purchasing or cooperative pricing system.

When the lead agency is a Board of Education or Educational Service Commission and the entire membership of the cooperative purchasing system established and properly registered with the New Jersey Division of Local Government Services are Boards of Education, the purchase of work, materials or supplies shall be conducted pursuant to the Public Schools Contract Law (N.J.S.A. 18A:18A-11 et seq.)

The School Business Administrator/Board Secretary is hereby authorized to negotiate such joint agreements for goods and services which the Board may determine to be required and which the Board may otherwise lawfully purchase for itself with such approved contracting units as may be appropriate in accordance with State law, the policies of this Board, and the dictates of sound purchasing procedures.

No cooperative or joint purchase may be entered without Board approval of an agreement that specifies the categories of work, materials and supplies to be purchased; the manner of advertising for bids and the awarding of contracts; the method by which payment will be made by each participating Board of Education, municipality or county, and such other terms deemed necessary to carry out the purposes of the agreement. Agreements for cooperative and joint purchasing will be subject to all bidding requirements imposed by law. Purchases made through the State Treasury Department may be made without bid.

Each participant's share of expenditures for purchases under any such agreement shall be appropriated and paid in the manner set forth in the agreement and in the manner as for other expenses of the participant.



The Board may by contract or lease provide electronic data processing services for the Board of Education of another school district; and may undertake with such other Board, the joint operation of electronic data processing of their official records and other information relative to their official activities, services and responsibilities. The records and other information originating with any Board participating in such contract or lease may be combined, compiled, and conjoined with the records and other information of any and all participating local units for the purposes of such electronic data processing; and any provisions of law requiring such records to be kept confidential or to be retained by any Board or any officer or agency thereof shall be deemed to be isolated thereby.

A contract or lease to provide electronic data processing services shall set forth the charge for all services provided, or in the case of a joint undertaking the proportion of the cost each party thereto shall assume and specify all the details of the management of the joint undertaking, and any other matters that may be deemed necessary for insertion therein, and may be amended from time to time by the contracting parties.

Any party to a contract for joint operation of electronic data processing services may act as agent for any or all parties in acquiring, by lease, purchase or otherwise, any property, facilities or services, in appointing such officers and employees as may be necessary and directing its activities, to the same extent as a Board of Education is authorized to do separately.

In the event that any controversy or dispute shall arise among the parties (except a municipality or a county) to any such agreement, the same shall be referred to the County Superintendent of the county in which the districts are situated for determination and the determination shall be binding, subject to appeal to the Commissioner of Education and the State Board pursuant to law. In the event the districts are in more than one county, the controversy or dispute shall be referred to the County Superintendents of the counties for joint determination, and if they shall be unable to agree upon a joint determination within thirty days, the controversy or dispute shall be referred to the Commissioner of Education for determination.

In a cooperative purchasing system established and properly registered with the New Jersey Division of Local Government Services where the lead agency is a Board of Education or Educational Service Commission and the membership of the system is Boards of Education and local contracting units as defined in N.J.S.A. 40A:11-2(1), the purchase of any work, materials or supplies shall be conducted pursuant to the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and N.J.A.C. 5:34-7.

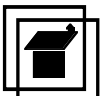
N.J.S.A. 18A:18A-10 through 14

N.J.S.A. 40A:11-1 et seq.

N.J.A.C. 5:34-7

N.J.A.C. 6A:23-7.4

Adopted: May 26, 2009



6470 PAYMENT OF CLAIMS

The Board of Education directs the prompt payment of legitimate claims by suppliers of goods and services to the school district, provided that each bill or obligation of this Board is fully itemized and verified before a warrant is drawn for its payment.

When an invoice is received, the School Business Administrator/Board Secretary or designee shall verify the voucher is properly submitted, acceptable goods were received or satisfactory services rendered, the expenditure is included in the Board's budget and funds are available for its payment, and the amount of the invoice is correct.

The School Business Administrator/Board Secretary shall identify and investigate, if necessary, the reason for any increase to a purchase order. If it is found by the School Business Administrator/Board Secretary that an increase to a purchase order is warranted, the School Business Administrator/Board Secretary shall either approve a revision to the original purchase order with the reason noted, approve the issuance of a supplemental purchase order for the difference, or cancel the original purchase order and issue a new purchase order. If it is found an increase is not warranted, the purchase order shall be cancelled and the goods returned. In no instance shall an adjustment be made to a purchase order that changes the purpose or vendor of the original purchase order or a bid award price.

The school district's financial systems shall be programmed to:

1. Limit system access so that only appropriate Business office staff may make purchase order adjustments;
2. Reject adjustments in excess of any established approval thresholds;
3. Prevent unauthorized changes to be processed;
4. Reject payments where the sum of the invoice amount plus any previous invoices charged to the purchase order exceeds the sum of the original purchase order amount plus any authorized adjustments;
5. Reject duplicate purchase order numbers;
6. Reject duplicate invoice numbers; and



7. Prepare an edit/change report listing all payments made in excess of the originally approved purchase order amount.

The School Business Administrator/Board Secretary shall review on a monthly basis edit/change reports listing all payments made in excess of the originally approved purchase order amount to ensure that all payments made are properly authorized.

If funds are not available in the budget line account to which the expenditure will be charged, funds may be transferred in accordance with Policy No. 6422.

The Board must approve all claims for payment, except, in accordance with N.J.S.A. 18A:19-4.1, the School Business Administrator/Board Secretary and the Superintendent are authorized to approve payment of claims not greater than \$50,000.00, interest on bonds as it becomes due, payments to redeem bonds as they become due, progress payments to contractors in accordance with a contract approved by the Board, and warrants to cover approved payrolls and agency account deposits prior to presentation to the Board. Any such approval of payment must be presented to the Board for ratification at the next regular Board meeting.

All claims will be submitted for Board review and approval or ratification. Claims must be submitted to the Board in the form of a list that includes the number, amount, and date of the warrant; the payee; the reason for the expenditure; and the account charged. The list of claims must be accompanied by the original records that include copies of the purchase order, the receiving report, the vendor's invoice, and the purchase requisition. The list of approved warrants will be included in the minutes of the Board meeting.

When a claim for payment is duly approved in accordance with this policy, the School Business Administrator/Board Secretary and/or a designated staff member shall promptly prepare a warrant for payment, cancel the commitment placed against the appropriate account, and post the actual expenditure. All warrants must be signed by the President, Board Secretary, and Treasurer of School Moneys.

N.J.S.A. 18A:17-36; 18A:19-1 et seq.; 18A:22-8.1
N.J.A.C. 6A:23A-6.10

Adopted: September 22, 2008
May 26, 2009



6471 SCHOOL DISTRICT TRAVEL

The Board of Education shall ensure the effective and efficient use of funds by adopting and implementing policies and procedures that are in accordance with N.J.S.A. 18A:11-12 and State of New Jersey Department of the Treasury, Office of Management and Budget (NJOMB) Circulars 08-19-OMB and 06-14-OMB (OMB Circulars) and any superseding circulars pertaining to travel, meals, events and entertainment, and the additional requirements set forth in N.J.A.C. 6A:23A-7. If any superseding circulars of the Office of Management and Budget conflict with the provisions of N.J.A.C. 6A:23A-7, the provisions of the superseding circulars shall govern.

A. Definitions

1. For the purposes of this Policy, “travel expenditures” means those costs paid by the school district using local, State, or Federal funds, whether directly by the school district or by employee reimbursement, for travel by school district employees and district Board of Education members, to the following five types of travel events:
 - a. Training and seminars - means all regularly scheduled, formal residential or non-residential training functions conducted at a hotel, motel, convention center, residential facility, or at any educational institution or facility;
 - b. Conventions and conferences - means general programs, sponsored by professional associations on a regular basis, which address subjects of particular interest to a school district or are convened to conduct association business. The primary purpose of employee attendance at conferences and conventions is the development of new skills and knowledge or the reinforcement of those skills and knowledge in a particular field related to school district operations. These are distinct from formal staff training and seminars, although some training may take place at such events;
 - c. School district sponsored events - means conferences, conventions, receptions, or special meetings where the school district plans, develops, implements, and coordinates the event and is the event’s primary financial backer. School district employees are actively involved in working the event and other employees may attend as participants;



- d. Regular school district business - means all regular official business travel, including attendance at meetings, conferences, and any other gatherings which are not covered by the definitions included in a., b., and c. above. Regular school district business travel also includes attendance at regularly scheduled in-State county meetings and Department of Education sponsored or association sponsored events provided free of charge and regularly scheduled in-State professional development activities with a registration fee that does not exceed \$150 per employee or Board member. Beginning in 2009-2010 the \$150 limit per employee or Board member may be adjusted by inflation; and
- e. Retreats - means meetings with school district employees and school Board members, at which organizational goals and objectives are discussed.

B. School District Travel Expenses

1. Any sections in either the State or Federal Circulars that conflict with New Jersey school law (N.J.S.A. 18A:1-1 et seq.) shall not be included in this Policy nor authorized under N.J.A.C. 6A:23A-7.1 et seq. This includes, but is not limited to, the authority to issue travel charge cards as allowed under the State Circular, but not authorized for school districts under New Jersey school law.
2. School district travel expenditures shall include, but are not limited to, all costs for transportation, meals, lodging, and registration or conference fees directly related to participation in the event.
3. School district travel expenditures in accordance with this Policy and N.J.A.C. 6A:23-7.1 et seq. shall include costs for all required training and all travel authorized in school district employee contracts and school Board policies. This includes, but is not limited to, required professional development, other staff training and required training for Board members, and attendance at specific conferences authorized in existing employee contracts, provided that such travel meets the requirements of N.J.A.C. 6A:23-7.1 et seq.
4. All such expenditures are subject to the requirements of N.J.A.C. 6A:23-7.1 et seq., including but not limited to, inclusion in the annual travel limit, prior Board approval, separate tracking, and per diem reimbursements.



C. School District Travel Requirements

1. All travel by Board of Education employees and Board members must be educationally necessary and fiscally prudent and all school district travel expenditures shall be:
 - a. Directly related to and within the scope of the employee's or Board member's current responsibilities and, for school district employees, the school district's professional development plan, the school building professional development plan, and an employee's individual professional development plan;
 - b. For travel that is critical to the instructional needs of the school district or furthers the efficient operation of the school district; and
 - c. In compliance with State travel payment guidelines as established by the Department of the Treasury and with guidelines established by the Federal Office of Management and Budget; except those guidelines that conflict with the provisions of Title 18A of the New Jersey Statutes shall not be applicable, including, but not limited to, the authority to issue travel charge cards. The Board specifies in this Policy the applicable restrictions and requirements set forth in the State and Federal guidelines including, but not limited to, types of travel, methods of transportation, mileage allowance, subsistence allowance, and submission of supporting documentation including receipts, checks, or vouchers.
2. Reimbursement for all in-State and out-of-State travel shall be made pursuant to N.J.S.A. 18A:11-12. In accordance with the provisions of N.J.A.C. 6A:23A-5.9:
 - a. Out-of-State travel events shall be limited to the fewest number of Board members or affected employees needed to acquire and present the content offered to all Board members or staff, as applicable, at the conclusion of the event. Where the event is sponsored by a New Jersey-based organization and targeted to employees and/or Board members of New Jersey school districts, reimbursement for lodging may be permitted only where the sponsoring organization obtains a waiver pursuant to the provisions of N.J.A.C. 6A:23A-7.11. Where the event is national or regional in scope and targeted to school district employees and/or Board members from multiple States, reimbursement for lodging may only be provided if the event occurs on two or more consecutive days and where home to event commute exceeds fifty miles.



- b. Where a travel event has a total cost that exceeds \$5,000, regardless of the number of attendees, or where more than five individuals from the district are to attend a travel event out-of-State, the school district shall obtain the prior written approval of the Executive County Superintendent. The Executive County Superintendent shall promptly review the request and render a decision within ten working days.
- c. For all employee and Board member travel events out of the country, regardless of cost or number of attendees, the school district shall obtain the prior written approval of the Executive County Superintendent. Such requests must be supported by detailed justification. The Executive County Superintendent shall promptly review the request and render a decision within ten working days. It is expected that approvals will be rare.

D. Travel Reimbursements

- 1. Travel reimbursements will be paid only upon compliance with all provisions of N.J.A.C. 6A:23A-7 and the Board's procedures and approval requirements. The Board will not ratify or approve payments or reimbursements for travel after completion of the travel event, except as provided at N.J.A.C. 6A:23A-7.4(d).

E. Board Member Voting On School District Travel

- 1. A Board member shall recuse him/herself from voting on travel if the Board member, a member of his/her immediate family, or a business organization in which he/she has an interest, has a direct or indirect financial involvement that may reasonably be expected to impair his/her objectivity or independence of judgment.
- 2. A Board member shall not act in his/her official capacity in any matter in which he/she or a member of his/her immediate family has a personal involvement that is or creates some benefit to the school official or member of his/her immediate family; or undertake any employment or service, whether compensated or not, which may reasonably be expected to prejudice his/her independence of judgment in the execution of his/her official duties.



F. Maximum Travel Budget

1. Annually in the prebudget year, the Board shall establish by Board resolution, a maximum travel expenditure amount for the budget year which the school district shall not exceed. The Board resolution shall also include the maximum amount established for the prebudget year and the amount spent to date.
 - a. The maximum school district travel expenditure amount shall include all travel supported by local and State funds.
 - b. The Board may elect to exclude travel expenditures supported by Federal funds from the maximum travel expenditure amount. If Federal funds are excluded from the established maximum amount, the Board shall include in the resolution the total amount of travel supported by Federal funds from the prior year, prebudget year, and projected for the budget year.
 - c. Exclusion of Federal funds from the annual maximum travel budget does not exempt such travel from the requirements applicable to State and local funds.
2. The Board of Education, pursuant to the provisions of N.J.A.C. 6A:23A-7.3(b), authorizes an annual maximum amount per employee not to exceed \$1,500 for regular business travel only for which prior Board approval is not required.
 - a. The annual maximum shall not exceed \$1,500 and shall be subject to the approval requirements in N.J.S.A. 18A:19-1.
 - b. Regular school district business travel as defined in N.J.A.C. 6A:23A-1.2 includes attendance at regularly scheduled in-State county meetings and Department of Education sponsored or association sponsored events free of charge. It also includes regularly scheduled in-State professional development activities for which the registration fee does not exceed \$150 per employee or Board member.
 - c. Regular school district business travel as authorized in this Policy requires approval of the Superintendent prior to obligating the district to pay related expenses and prior to attendance at the travel event.



- (1) The Superintendent shall designate an alternate approval authority to approve travel requests in his/her absence when necessary to obtain timely Board approval.
- (2) Regulation 6471 provides the procedures for the internal levels of approval required prior to Superintendent or designee approval of the travel event, as applicable.

G. Travel Approval Procedures

1. All travel requests for employees of the district shall be approved in writing by the Superintendent of Schools and approved by a majority of the full voting membership of the Board, except where the Board has excluded regular business travel from prior approval pursuant to the provisions of N.J.A.C. 6A:23A-7.3(b), prior to obligating the school district to pay related expenses and prior to attendance at the travel event.
 - a. The Superintendent shall designate an alternate approval authority to approve travel requests in his/her absence when necessary to obtain timely Board approval.
 - b. Regulation 6471 provides the procedures for the internal levels of approval required prior to the Superintendent's or designee's approval of the travel event, as applicable.
2. All travel requests for Board members shall require prior approval by a majority of the full voting membership of the Board, except where the Board has excluded regular business travel from prior approval pursuant to the provisions of N.J.A.C. 6A:23A-7.3(b), and the travel shall be in compliance with N.J.S.A. 18A:12-24 and N.J.S.A. 18A:12-24.1.
3. The Board may approve, at any time prior to the event, travel for multiple months as long as the Board approval, as detailed in Board minutes, itemizes the approval by event, total cost, and number of employees and Board members attending the event. General or blanket pre-approval is not authorized.
4. Where occasional unforeseen emergent situations arise wherein a travel request cannot obtain prior approval of the Board, justification shall be included in the text of the travel request. Such requests shall require prior written approval of the Superintendent or designee and the Executive County Superintendent or designee.



The Board shall ratify the request at its next regularly scheduled meeting. Travel to conferences, conventions, and symposiums are not considered to be emergencies and shall not be approved after the fact.

5. The Board, in accordance with the provisions of N.J.A.C. 6A:23A-7.4(d) excludes from the requirements of prior Board approval any travel caused by or subject to existing contractual provisions, including grants and donations, and other statutory requirements, or Federal regulatory requirements.
 - a. For the exclusion of prior Board approval to apply, the required travel event must be detailed, with number of employee(s), Board member(s), and total cost in the applicable contract, grant, donation, statute, or Federal regulation.
 - (1) This does not include general grant guidelines or regulations that are permissive but do not require the travel event, unless the specific travel event, number of employee(s), Board member(s) and total cost is detailed in the approved grant, donation, or other fund acceptance agreement.
 - (2) This does not include general contractual provisions in labor agreements for continuing education or professional development, except where the Board has included in its policy, a maximum amount per employee for regular business travel that does not require prior Board approval pursuant to N.J.A.C. 6A:23A-7.3.
- H. Required Documentation for Travel
 1. Neither the Superintendent or designee, nor the Board shall approve a travel request unless the written request for travel includes the following information:
 - a. Name and dates of event;
 - b. A list of Board members and/or employees to attend either by name or title;
 - c. Justification of the importance of these individuals attending the event;
 - d. Estimated cost associated with travel (if lodging is shared with others, the fact must be stated);



- e. Copy of agenda or itinerary for travel and subsequent schedule of events;
 - f. A brief statement that includes the primary purpose for the travel and the key issues that will be addressed at the event and their relevance to improving instruction or the operation of the school district;
 - g. For training events, whether the training is needed for a certification required for continued employment, continuing education requirements, requirements of Federal or State law, or other purpose related to the programs and services currently being delivered or soon to be implemented in the school district, or related to school district operations;
 - h. Account number and funding source – Federal, State, private, or local; and
 - i. In the case of annual events, total attendance and cost for the previous year.
2. Detailed documentation shall be maintained on file in the school district which demonstrates compliance with the Board's travel policy, including travel approvals, reports, and receipts for all school district funded expenditures, as appropriate.
- I. Accounting for School District Travel
1. The School Business Administrator/Board Secretary or designee shall prepare itemized travel budgets by function and object of expense for each cost center, department or location maintained in the school district's accounting system, as applicable, as part of the preparation of and documentation for the annual school district budget:
 - a. The aggregate amount of all travel budgets shall not exceed the Board approved maximum travel expenditure amount for the budget year as required by N.J.A.C. 6A:23A-7.3.
 2. The School Business Administrator/Board Secretary shall maintain separate accounting for school district travel expenditures as necessary to ensure compliance with the school district's maximum travel expenditure amount. This may include, but need not be limited to, a separate or offline accounting of such expenditures or expanding the school district's accounting system. The tracking system shall be sufficient to demonstrate compliance with the Board's policy and N.J.A.C. 6A:23-7, and shall be in a detailed format suitable for audit.



3. The School Business Administrator/Board Secretary or designee, shall review and approve all requests for travel expenditure reimbursement submitted for expenses incurred in the course of school district business as to cost and support documentation required by N.J.A.C. 6A:23A-7:
 - a. The School Business Administrator/Board Secretary shall not approve or issue payment of travel expenditures or reimbursement requests until all required documentation and information has been submitted to support the payment and shall not approve any travel expenditure that when added to already approved travel expenditures would exceed the Board approved maximum travel expenditure amount for the budget year.
 4. The School Business Administrator/Board Secretary shall be responsible for the adequacy of documentation of transactions processed by their staff and the retention of that documentation to permit audits of their records.
 5. An employee of the Board, a Board member, or organization, shall not receive payment, either partial or full, for travel and travel-related expenses in advance of the travel pursuant to N.J.S.A. 18A:19-1 et seq. The payment of travel and travel-related expenses shall be made personally by a school district employee or Board member and reimbursed at the conclusion of the travel event. This applies to travel-related purchases for which a purchase order is not applicable. This provision does not preclude the district from paying the vendor directly with the proper use of a purchase order (e.g., for registration, airline tickets, hotel).
- J. Sanctions for Violations of Travel Requirements
1. Any Board of Education that violates its established maximum travel expenditure as set forth in N.J.A.C. 6A:23A-7.3, or that otherwise is not in compliance with the travel limitations set forth in N.J.A.C. 6A:23A-7 may be subject to sanctions by the Commissioner as authorized pursuant to N.J.S.A. 18A:4-23 and N.J.S.A. 18A:4-24, including reduction of State aid in an amount equal to any excess expenditure pursuant to N.J.S.A. 18A:11-12 and N.J.S.A. 18A:7F-60.
 2. A person who approves any travel request or reimbursement in violation of N.J.A.C. 6A:23A-7 shall be required to reimburse the school district in an amount equal to three times the cost associated with attending the event pursuant to N.J.S.A. 18A:11-12:



- a. As required in N.J.A.C. 6A:23A-7.7(b)(1) the Board designates the Superintendent of Schools and the School Business Administrator/Board Secretary as the person(s) with the final approval authority for travel and therefore shall be subject to this penalty.
 3. An employee or Board member who violates the school district's travel policy or these rules shall be required to reimburse the school district in an amount equal to three times the cost associated with attending the event pursuant to N.J.S.A. 18A:11-12.
 4. In the event it is determined a violation of the provisions of N.J.A.C. 6A:23A-7 has occurred after Board payment has been made, the Superintendent of Schools shall be responsible to ensure the sanctions as outlined in N.J.A.C. 6A:23A-7.7 are imposed. If a violation is determined prior to payment or reimbursement of the travel event, no consequences as outlined in N.J.A.C. 6A:23A-7.7 shall be imposed; however, the Superintendent may impose disciplinary action as necessary.
 5. The annual audit conducted pursuant to N.J.S.A. 18A:23-1 shall include test procedures to ensure compliance with this Policy and travel limitations set forth in N.J.A.C. 6A:23A-7 and N.J.S.A. 18A:11-12.
- K. Prohibited Travel Reimbursements
1. The following types of expenditures are not eligible for reimbursement:
 - a. Subsistence reimbursement for one-day trips, except for meals expressly authorized by and in accordance with the provisions of N.J.A.C. 6A:23A-7.12;
 - b. Subsistence reimbursement for overnight travel within the State, except where authorized by the Commissioner in accordance with the procedures set forth in N.J.A.C. 6A:23A-7.11;
 - c. Travel by Board members or employees whose duties are unrelated to the purpose of the travel event or who are not required to attend to meet continuing education requirements or to comply with law or regulation;
 - d. Travel by spouses, civil union partners, domestic partners, immediate family members, and other relatives;



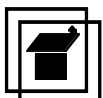
- e. Costs for employee attendance for coordinating other attendees' accommodations at the travel event;
- f. Lunch or refreshments for training sessions and retreats held within the school district including in-service days and for employee participants traveling from other locations within the school district;
- g. Training to maintain a certification that is not required as a condition of employment (example: CPE credits to maintain a CPA license if the employee is not required to be a CPA for continued school district employment);
- h. Charges for laundry, valet service, or entertainment;
- i. Limousine services and chauffeuring costs to or during the event;
- j. Car rentals, either utilized for airport transportation or transportation at a conference, convention, etc., unless absolutely necessary for the conduct of school district business. Justification must accompany any request for car rentals. If approved, the most economical scheduling of car rental is to be used, including the use of subcompacts, discounted, and special rates. An example of the justified use of car rental is when an employee is out of State, making inspections at various locations, and the use of public transportation is impracticable. When car rental is authorized, the employee shall not be issued an advance payment for the anticipated expense associated with the rental;
- k. Alcoholic beverages;
- l. Entertainment costs including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities);
- m. Gratuities or tips in excess of those permitted by Federal per diem rates;
- n. Reverse telephone charges or third party calls;
- o. Hospitality rooms;
- p. Souvenirs, memorabilia, promotional items, or gifts;



- q. Air fare without documentation of quotes from at least three airlines and/or online services; and
- r. Other travel expenditures that are unnecessary and/or excessive.

L. Travel Methods

1. For the purposes of this Policy, “transportation” means necessary official travel on railroads, airlines, shuttles, buses, taxicabs, school district-owned or leased vehicles, and personal vehicles.
2. The purchase or payment of related transportation expenses shall be made by purchase order or personally by a school district employee or Board member and reimbursed at the conclusion of the travel event. An actual invoice or receipt for each purchase or expense shall be submitted with a claim for reimbursement.
3. Pursuant to OMB Circulars, the following travel methods requirements apply:
 - a. Air and rail tickets shall be purchased via the Internet, if possible, using airline or online travel services such as Travelocity, Expedia, or Hotwire;
 - b. Air travel shall only be authorized when determined that it is necessary and advantageous to conduct school district business:
 - (1) The most economical air travel should be used, including the use of discounted and special rates;
 - (2) The following options should be considered when booking tickets:
 - (a) Connecting versus nonstop flights;
 - (b) Departing earlier or later compared to the preferred departure time;
 - (c) Utilizing alternative airports within a city, i.e. Chicago, Illinois – Midway Airport versus O’Hare Airport;
 - (d) Utilizing alternative cities, i.e. Newark versus Philadelphia;
 - (e) Utilizing "low cost" airlines; and



- (f) Exploring alternate arrival and/or departure days.
- (3) No employee or Board member can earn benefits as a result of school district funded travel. Employees and Board members are prohibited from receiving "Frequent Flyer" benefits accruing from school district funded travel;
- (4) Airfare other than economy (i.e., Business or First Class) shall not be fully reimbursed by the school district except when travel in such classes:
 - (a) Is less expensive than economy;
 - (b) Avoids circuitous routings or excessive flight duration; or
 - (c) Would result in overall transportation cost savings.
- (5) All airfare other than economy and not covered by the above exceptions purchased by an employee or Board member shall only be reimbursed at the economy rate for the approved destination;
- (6) Cost estimates on travel requests and associated authorizations shall be consistent with current airline tariffs, with consideration of available special fares or discounts, for the requested destination;
- (7) Airline tickets shall not be booked until all necessary approvals have been obtained;
- (8) Justification shall be required when actions by a traveler result in additional expenses over and above the authorized travel request. Sufficient justification shall be considered only for factors outside the control of the purchaser. Additional expenses without sufficient justification shall not be reimbursed; and
- (9) Justification shall accompany requests for airline ticket reimbursement when purchased by employees or Board members contrary to the above regulations. Sufficient justification shall be considered only for factors outside the control of the purchaser. Noncompliant purchases without sufficient justification shall not be reimbursed. Reimbursement of purchases with sufficient justification shall be otherwise permitted and reimbursed in accordance with the above procedures.



- c. Rail travel shall only be authorized when determined that it is necessary and advantageous to conduct school district business:
 - (1) The most economical scheduling of rail travel shall be utilized, including excursion and government discounts, whenever applicable;
 - (2) When one employee or Board member is traveling within the Northeast Corridor, NJ Transit shall be used as the rail option. Use of Amtrak will not be authorized unless it is the only means of travel available;
 - (3) The use of high speed rail services, such as Acela, shall not be authorized;
 - (4) When two or more employees and/or Board members are traveling to the same event in the Northeast Corridor (between Boston, MA and Washington, DC), rail travel shall not be authorized. In those cases, the travelers must use a school district vehicle or, if not available, a personally-owned vehicle must be used; and
 - (5) All rail travel, including rail travel in the Northeast Corridor must be processed in the same manner as prescribed for air travel above.

- d. Use of a school district-owned or leased vehicle shall be the first means of ground transportation. Use of a personally-owned vehicle on a mileage basis shall not be permitted for official business where a school district-owned or leased vehicle is available:
 - (1) Mileage allowance in lieu of actual expenses of transportation shall be allowed at the rate authorized by the annual State Appropriations Act, or a lesser rate at the Board's discretion for an employee or Board member traveling by his/her personally-owned vehicle on official business:
 - (a) In accordance with the OMB circular, if any condition in an existing negotiated contract is in conflict with the circular, such as the mileage reimbursement rate, the provision of the contract will prevail;



- (b) Parking and toll charges shall be allowed in addition to mileage allowance;
- (c) Reimbursement for travel to points outside the State by automobile shall be permitted when such arrangements prove to be more efficient and economical than other means of public transportation;
- (d) In determining the relative costs of private and public transportation, all associated costs (i.e., tolls, taxicabs, airport, or station transfers, etc.) shall be considered;
- (e) All employees and Board members using privately-owned vehicles in the performance of their duties for the school district shall present a New Jersey Insurance Identification Card indicating that insurance coverage is in full force and effect with companies approved by the State Department of Banking and Insurance. The card shall be made available to the Superintendent or designee before authorization to use privately-owned vehicles;
- (f) Employees and Board members who are out-of-State residents must provide appropriate insurance identification in lieu of the New Jersey Insurance Identification Card;
- (g) School district-owned or leased vehicles shall be utilized in accordance with N.J.A.C. 6A:23A-6.12;
- (h) Necessary taxicab charges are permitted. However, travel to and from airports, downtown areas, and between hotel and event site shall be confined to regularly scheduled shuttle service, whenever such service is complimentary or is less costly. If shuttle service is not available, taxicabs may be used; and
- (i) Cruises are not permitted for travel events or transportation.

M. Routing of Travel

1. Pursuant to OMB Circulars:



- a. All travel shall be by the most direct, economical, and usually-traveled route. Travel by other routes as a result of official necessity shall only be eligible for payment or reimbursement if satisfactorily established in advance of such travel.
- b. In any case where a person travels by indirect route for personal convenience, the extra expense shall be borne by the individual.
- c. Reimbursement for expenses shall be based only on charges that do not exceed what would have been incurred by using the most direct, economical, and usually traveled route.

N. Subsistence Allowance – Overnight Travel

1. Pursuant to the OMB Circulars, one-day trips that do not involve overnight lodging shall not be eligible for subsistence reimbursement, except for meals expressly authorized by and in accordance with the provisions of N.J.A.C. 6A:23A-7.12.
2. Pursuant to the OMB Circulars, generally, overnight travel shall not be eligible for subsistence reimbursement if travel is within the State. Overnight travel is permitted if such travel is authorized pursuant to N.J.A.C. 6A:23A-7.11(c), or is a required component of a grant, donation, or other funding agreement with the district. The specific required overnight in-State travel event must be detailed in the approved grant, donation, or other fund acceptance agreement along with the number of employee(s), Board member(s), and total cost. All reimbursements are subject to these rules unless the funding acceptance agreement specifies otherwise.
3. The Commissioner is authorized to grant waivers for overnight travel for school Board members and school district employees to attend in-State conferences in accordance with N.J.A.C. 6A:23A-7.11(c). If a waiver is granted by the Commissioner, it shall permit reimbursement for travel expenses for only those individuals whose home to the convention commute exceeds fifty miles.
4. Overnight travel within the State shall not be eligible for subsistence reimbursement if travel is on the day prior to the start of the conference. Reimbursement shall be prohibited for lodging prior to check-in time for the first day of the event or after check-out time on the last day of the event.



5. The United States General Services Administration publishes a schedule of Federal per diem rates in the Federal Register for approved overnight travel by the event location. The latest Federal per diem rates schedule for lodging, meals, and incidental expenses by location can be found at www.gsa.gov. The following restrictions apply to allowable per diem reimbursements.
 - a. Allowable per diem reimbursement for lodging, meals, and incidentals shall be actual reasonable costs, not to exceed the Federal per diem rates for the event location. Registration and conference fees are not subject to the Federal per diem rate caps. If the event location is not listed, the maximum per diem allowance shall be \$31 for meal/incidental expenses and \$60 for lodging, or amounts listed in any superseding NJOMB circular.
 - b. Pursuant to N.J.S.A. 18A:11-12(o), reimbursement for lodging expenses for overnight travel, out-of-State or in-State as authorized by the Commissioner, may exceed the Federal per diem rates if the hotel is the site of the convention, conference, seminar or meeting, and the going rate of the hotel is in excess of Federal per diem rates.
 - (1) If the hotel at the site of the current travel event is not available, lodging may be paid for similar accommodations at a rate not to exceed the hotel rate at the site of the current event.
 - (2) If there is no hotel at the site of the current travel event (e.g. Atlantic City Convention Center), then reimbursement for lodging shall not exceed the Federal per diem rate.
 - c. If the meal is not part of a one-sum fee for a travel event, reimbursement may be approved for the full cost of an official convention meal that the employee or Board member attends, when such meal is scheduled as an integral part of the convention or conference proceedings.
 - (1) Receipts shall be submitted in order to obtain reimbursement in such situations. The amount of the Federal per diem rate for the corresponding meal shall be deducted from that day's subsistence allowance.



- d. The allowance for a meal or meals, or incidentals shall not be eligible for reimbursement when included and paid in the registration fee, the cost of lodging or transportation charge.
 - e. Receipts shall be required for all hotel and incidental expenses.
 - (1) Meal expenses under the Federal per diem allowance limits do not require receipts pursuant to N.J.S.A. 18A:11-12.o.(3).
 - f. In any case in which the total per diem reimbursement is greater than the Federal per diem rates, the costs shall be considered excessive in the absence of substantial justification accompanying the travel voucher submitted by the employee or Board member. In such cases, receipts shall be submitted for all costs including meals.
 - g. Employees and Board members shall patronize hotels and motels that offer special rates to government employees unless alternative lodging offers greater cost benefits or is more advantageous to the conduct of school district business.
 - h. Actual subsistence expenses shall not be reimbursable if paid by the traveler to a member of his/her family, to another school district employee, or to a member of the family of another school district employee.
- O. Meal Allowance – Special Conditions – And Allowable Incidental Travel Expenditures
- 1. Meals for in-State travel shall not be eligible for reimbursement except as expressly authorized within N.J.A.C. 6A:23A-7.
 - 2. Meals during one-day, out-of-State trips required for school business purposes may be authorized for breakfast, lunch, and/or dinner in an amount permitted by NJOMB. The Commissioner shall post the most current rates on the Department of Education website for reference.
 - 3. Lunch for training sessions and retreats may be authorized for an amount up to \$7 per person only when it is necessary that employees or Board members remain at a site other than their school district and there are no viable options for lunch at the off-site location.



- a. If lunch is included in a one-sum registration fee for the training session, the full amount is eligible for reimbursement if reasonable.
 - b. Refreshments for breaks may also be provided at training sessions and retreats held at a site other than the school district. Providing lunch for staff meetings and in-service days or for staff that come from other parts of the school district shall not be permitted (See N.J.A.C. 6A:23A-7.12(d)).
 - c. In accordance with N.J.S.A. 18A:11-12a(1)(d), employee and Board member retreats shall be held onsite unless there is no school district site available.
4. Subsistence expenses for an employee or Board member shall not be allowed at the school district or within a radius of ten miles thereof, except for meals expressly authorized by and in accordance with the provisions of Section O of this Policy and N.J.A.C. 6A:23A-7.12. Non-allowed expenses include, but are not limited to, meals and refreshments for staff meetings and in-service days.
5. Reimbursement may be approved for the cost of an official luncheon or dinner, up to \$7 and \$10, respectively, that an employee or Board member is authorized to attend, where such a meal is scheduled as an integral part of an official proceeding or program related to school district business and the employee's responsibilities.
 - a. School district business above refers to the management operations of the district and does not refer to activities that benefit pupils and are part of the instructional program. Pursuant to N.J.A.C. 6A:23A-5.8(b)(4), all reasonable expenditures related to district employees that are essential to the conduct of a pupil activity are permitted.
6. Regular meetings, special meetings, and work sessions of the Board of Education shall be limited to light meals and refreshments for all Board members.
 - a. The meals may be served to employees who are required to attend the event and where it is impractical for the employee to commute to and from his or her residence between the end of the work day and the beginning of the event, or where the employee is required to remain at the school district to prepare for the event.



- b. The school district shall acquire the light meals and refreshments by the solicitation of at least three quotes. Quotes may be on a monthly, bi-monthly, quarterly, or annual basis.
 - c. Where the school district's food service program can prepare comparable meals at a lower cost, the food service program shall be used.
 - d. The average cost per meal shall not exceed \$10.
 - e. The school district shall purchase or prepare foods that are sufficient to provide each Board member, dignitary, non-employee speaker, or allowable staff member one meal. Meals should be carefully ordered to avoid left-over food. Unintended left-over food should be donated to a charitable shelter or similar facility, if at all possible.
7. Allowable incidental travel expenses are defined as those that are essential to transacting official business.
- a. Charges for telephone calls on official business may be allowed. The voucher must show the dates on which such calls were made, the points between which each call was made and the cost per call.
 - b. Employees and Board members using their personally-owned telephone for business may request reimbursement, less Federal Communications Tax. Calls for business are tax exempt and the telephone company will make allowances for the tax if the employee or Board member certifies to the telephone company when paying bills for personally-owned phones that said calls were business calls.
 - c. Incidental expenses, when necessarily incurred by the traveler in connection with the transaction of official business, may be submitted for reimbursement only when the necessity and nature of the expense are clearly and fully explained on the travel voucher and the voucher is approved. Travel vouchers shall be supported by receipts showing the quantity and unit price.



P. Records and Supporting Documentation

1. All persons authorized to travel on business must keep a memorandum of expenditures chargeable to the school district, noting each item at the time the expense is incurred, together with the date incurred.
2. The travel voucher shall be completed by the employee or Board member to document the details of the travel event. The travel voucher must be signed by the employee or Board member to certify to the validity of the charges for which reimbursement is sought. The form must also bear the signatures of approval officials for processing.
3. Sufficient documentation shall be maintained centrally by the school district to support payment and approval of the travel voucher.
4. Each person authorized to travel shall submit a brief report that includes the primary purpose for the travel, the key issues addressed at the event and their relevance to improving instruction or the operations of the school district. This report shall be submitted prior to receiving reimbursement.
5. Documentation for requests for travel reimbursement shall show:
 - a. The dates and individual points of travel, number of miles traveled between such points, and kind of conveyance used;
 - b. If the distance traveled between any given points is greater than the usual route between these points, the reason for the greater distance must be stated;
 - c. The hours of the normal work day and actual hours worked must be shown when requesting meal reimbursement for non-overnight travel;
 - d. Original receipts shall be required for all reimbursable expenses, except for meals that qualify for per diem allowances and for parking meters;
 - e. Actual vendor receipts for personal credit card charges shall be attached to reimbursement requests. Credit card statements shall not be accepted as documentation of expenses;
 - f. Personal charges on a hotel bill shall be deducted and shown on the bill;



- g. When lodging is shared jointly, the fact must be stated on the travel voucher;
 - h. Where travel is not by the most economical, usually-traveled route, the employee or Board member reimbursement request shall set forth the details of the route, the expenses actually incurred, the hour of departure, the hour of arrival, and an explanation for the use of costlier travel arrangements;
 - i. When travel is authorized in the employee's or Board member's own automobile on a mileage basis, the points between which travel was made and the distance traveled between each place must be shown. A statement as to ownership of the auto or other conveyance used, as well as a certification that liability insurance is in effect, must be documented;
 - j. Reimbursement requests must be supported by other receipts as required;
 - k. The voucher shall be itemized; and
 - l. Reimbursement requests shall be rendered monthly when in excess of \$25. Travel for a single travel event must be reported as soon as possible after the trip.
6. All outstanding travel vouchers for the school year ending June 30 shall be submitted as soon as possible after June 30 regardless of amount, notwithstanding N.J.A.C. 6A:23A-7.13(e)(12).
7. Travel mileage reimbursement requests of the just completed school year, that are not submitted by July 30 or the date approved by the district for the closing of books, whichever is earlier, for the just completed school year shall not be approved or paid.

N.J.S.A. 18A:11-12 et seq.
N.J.A.C. 6A:23A-5.9; 6A:23A-7 et seq.

Adopted: May 26, 2009



6480 PURCHASE OF FOOD SUPPLIES

The Board of Education authorizes the purchase of certain food supplies without resort to advertising for bids.

For the purpose of this policy, “food supplies” means only those supplies that are to be eaten or drunk and those substances that may enter into the composition of a food in the operation of a school cafeteria or in a home economics class.

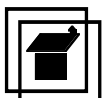
The Director of Food Services may purchase all food supplies with or without advertising for bids in accordance with N.J.A.C. 6A:23-2.6(c), except the following food supplies which will be purchased in accordance with N.J.S.A. 18A:18A-4 et seq. and N.J.S.A. 18A:18A-6:

- Ice cream
- Bread
- Milk

The Director of Food Services shall obtain price quotations for food supplies purchased without advertising for bids in accordance with N.J.A.C. 6A:23-2.6 et seq. Uniform specifications setting standards of quality shall be given to each interested vendor. Opportunity shall be provided to as many responsible suppliers as possible to do business with the district. Lists of potential suppliers for various types of foods shall be maintained, and quotations shall be solicited in accordance with N.J.S.A. 18A:18A-4 et seq. Food purchases up to \$250 in any one month may be made without solicitation of quotations provided that the purchaser files a statement indicating the reason why quotations could not be obtained.

Food shall be purchased from the vendor who submits the lowest quotation, except that food may be purchased from another vendor when the Director of Food Services has reason to justify the purchase at a higher price. Any such justification, together with all quotations received, shall be kept in permanent record form, attached to the purchase order and available to school officials, the Board, and the State Department of Education for a minimum of three years following the purchase. The Board shall offer a hearing to any unsuccessful vendor whose quotation for food supplies was lower than the quotation accepted.

The Board of Education authorizes and directs the Superintendent or designee to execute contracts with proper vendors in accordance with State law to purchase subsistence amounts of perishable foods without competitive bids. This policy shall be published annually as required by law, along with the procedures by which authorized vendors may become eligible to submit quotations.



POLICY

POINT PLEASANT SCHOOLS

FINANCES
6480/page 2 of 2
Purchase of Food Supplies

The School Business Administrator/Board Secretary is authorized to purchase not more than \$250.00 worth of food supplies in any month for the cafeterias or home economics classes without soliciting quotations. Such purchases must be documented according to law.

N.J.S.A. 18A:18A-4 et seq.; 18A:18A-5a.(6); 18A:18A-6
N.J.A.C. 6A:23-2.6

Adopted: May 26, 2009



6510 PAYROLL AUTHORIZATION

The most substantial allocation of public funds for the operation of the school district is that made to the employees of the Board of Education for their services. Compensation will be tendered only to persons duly employed by this Board and only for services rendered.

Each Board resolution to employ or reemploy a person will include the person's name, position, and tenure status; the salary or rate of pay the person is to receive, the method of payment, the wage guide from which wages are derived, and the budget category to which the wages are to be charged; the period of time for which employment is authorized; and the school, grade, class or special assignment, as appropriate.

No person may be assigned duties as a substitute employee whose employment has not been approved by the Board. The list to be approved by the Board will include the names of recommended substitutes, the duties to which each may be assigned, and the rate of pay. Substitute authorization will ordinarily be valid for one school year.

The minutes of Board meetings will record personnel actions of the Board, to include, but not be limited to, the appointment, promotion, resignation, retirement, death, discharge, compensation, or leave of absence for each employee. The minutes will also include effective dates for personnel action.

Certain categories of staff members designated by the Superintendent of Schools, shall be required to use a time clock or sign in and out of work daily in order to verify days and hours worked. The service of extra-duty personnel must be certified by the appropriate supervisor before payment can be made.

The Superintendent is authorized to withhold salary or wages for services not rendered.

All regular employees shall be paid twice a month, once on the fifteenth of the month (or on the nearest working day prior to the fifteenth if the fifteenth of the month falls on a holiday or a weekend), and on the last work day of the month. Pay checks may be leased preceding an APPROVED vacation, personal or professional day should those days fall on a pay day. Ten-month employees will receive their final payment on the earlier of either the last day of the school year or June 30.

The Superintendent may authorize, prior to Board approval, temporary employment, for up to sixty days, for any previously established position at the rate of pay stipulated in Board policy or in the current agreement between the Board of Education and the Point Pleasant Education Association. The Superintendent shall also direct any change in work schedules and



assignments, in order to function properly and to efficiently operate the district. All changes to personnel will be ratified by the Board at its next scheduled meeting.

All overtime must be authorized by the school Principal or supervisor and approved by the Superintendent of designee.

In accordance with N.J.A.C. 6A:23A-5.7, beginning with the 2008-2009 school year, at least once every three years, between the months of September through May, the Superintendent of Schools shall require each district employee to report to a central location(s) and produce picture identification and sign for release of his or her paycheck or direct deposit voucher. The accepted picture identification shall be in the form of a district-issued identification card, valid drivers' license, official passport, or other picture identification issued by a State, county, or other local government agency.

The Superintendent of Schools shall designate an appropriately qualified staff member to match the picture identification to the position control roster maintained by the office of personnel or human resources prior to release of the pay check or direct deposit voucher. If the district elects to conduct this payroll verification prior to the district's required implementation of the position control roster pursuant to N.J.A.C. 6A:23A-6.8, the district may use similar and suitable office of personnel or human resources generated listing of employees. Where no appropriate identification can be produced, the School Business Administrator/Board Secretary shall withhold paychecks or stop direct deposits until such time the payee/district employee can produce appropriate identification or until an investigation and corrective action is concluded, as appropriate to the circumstances.

Upon completion of the payroll check distribution verification procedures set forth in this Policy and N.J.A.C. 6A:23A-5.7, the Superintendent of Schools shall submit a certification of compliance, in a form prescribed by the Department of Education, to the Executive County Superintendent. Verification of the district's compliance with the provisions of N.J.A.C. 6A:23A-5.7 will be required as part of the annual audit.

The payroll journal will be certified by the Board Secretary, the President of the Board, and approved by the Superintendent.

N.J.S.A. 18A:17-35; 18A:19-9 et seq.
N.J.A.C. 6A:23A-5.7

Adopted: September 22, 2008
May 26, 2009



6520 PAYROLL DEDUCTIONS

The Board of Education shall, in accordance with law or employee authorization, make deductions from an employee's paycheck and remit the amounts deducted to the agent designated by the employee.

Deductions will routinely be made as required for federal income tax, social security and medicare; New Jersey income tax, unemployment assistance, and other miscellaneous taxes; and by the New Jersey Division of Pensions.

Deductions may also be made, provided they have been duly authorized by the employee in writing, for contributions on the employee's behalf for:

1. The payment of premiums for group life, accidental death or dismemberment, hospitalization, medical, surgical, major medical, health and accident, and legal insurance plans, N.J.S.A. 18A:16-13;
2. Tax sheltered annuities or custodial accounts, N.J.S.A. 18A:66-127;
3. Payments to a credit union, N.J.S.A. 40A:19-17; and
4. Bona fide organizational dues, N.J.S.A. 52:14-15.9e.

Contributions shall be made as soon as is reasonably possible after the funds have been deducted from an employee's salary. No contribution shall be made on behalf of an employee until the amount contributed has been deducted from the employee's salary.

Tax Shelter

The program of Tax Deferred Investment opportunities established by the Board shall be classified as an "arrangement" and not as a "plan", as set forth by Department of Labor Determinations and as incorporated in the Coordinated Examinations Program of the Internal Revenue Service.

403(b) Availability

The Point Pleasant Board of Education (the "employer") adopted this policy solely to clarify, to the extent required by 26 U.S.C. § 403(b), which employees may make § 403(b) salary-reduction agreements and under what conditions the employer will accept those agreements. This policy is an arrangement only to that extent.



Eligible Employees

Any permanent employee working twenty hours or more a week is eligible. Only an employee may agree to § 403(b) contributions. A leased employee, independent contractor, or self-employed person is not eligible.

Salary-Reduction Agreements

The employer will accept a § 403(b) salary-reduction agreement only if it is requested on the form that the employer prescribes for this purpose. Also, an employee must agree to a salary reduction that is at least \$10.00 per pay or \$200.00 per year (whichever is less). The employer will accept a § 403(b) salary-reduction agreement only if it specifies the insurer or custodian and the annuity contract or custodial account (a "contract") to which the participant directs contributions.

Contribution Limits

A participant's contributions must meet the § (415(c) annual-additions limit, the § 403(g) elective-deferral limit, and all other limits that apply under or concerning § 403(b). The employer may refuse a salary reduction that the employer believes would result in exceeding a limit. As long as it does not impair in a way that violates § 403(b)(12)(A)(ii) an employee's opportunity to make a salary-reduction agreement, the employer is not liable for refusing a salary reduction that would not have exceeded a limit. Except for its duties to report and withhold taxes from wages, the employer is not liable for permitting a contribution that exceeds a limit.

Available Contracts

A contract can be available as a § 403(b) investment option only if the employer has confirmed that all of the following requirements are met:

1. The contract is an annuity contract or is a custodial account that holds only mutual fund shares.
2. The annuity insurer is an insurance company, or the custodian is a bank or trust company.
3. The insurer or custodian has signed and delivered to the employer an indemnity agreement in the form required by the employer.



Benefits

A participant's benefits are those provided by his or her contract or contracts. Without limiting the comprehensive effect of the preceding sentence, an optional hardship distribution, loan, exchange or transfer (if any) is available as provided by each contract. The employer provides no restriction on benefits other than requiring that a contract meeting the requirements of § 403(b).

403(b) Requirements

The parties to each annuity contract or custodial account are responsible for observing all requirements needed for the contract to qualify for § 403(b) tax treatment.

Tax-Sheltered Annuities

The Board of Education shall permit payroll deductions from all employees for the purpose of tax-sheltered annuities. The deductions shall conform to the following:

1. There shall be two enrollment dates annually.
 - a. Employees may enroll at the beginning of a school year by applying for a TSA deduction or for a change in an existing TSA deduction during the period July 1 to October 1.
 - b. Employees may enroll at the beginning of a calendar year by applying for a TSA deduction or for a change in an existing TSA deduction during the period January 1 to January 31.
2. An employee may request cancellation of a TSA deduction at any time during the year; however, re-enrollment is permitted only within the time period described in paragraph one above.

No Board employee shall withhold or pay to another or purchase or have assigned, other than by court order, any compensation for the services rendered by an employee of this district.

N.J.S.A. 18A:16-9; 18A:66-19; 18A:66-30; 18A:66-78; 18A:66-128

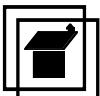
N.J.S.A. 43:3C-9

N.J.S.A. 52:14-15.9; 52:18A-107 et seq.

N.J.S.A. 54:8A-9

N.J.A.C. 6A:23-2.8; 6A:23-2.10

Adopted: May 26, 2009



6620 PETTY CASH

The Board of Education authorizes the establishment of petty cash funds in accordance with this policy. The Board directs the implementation of appropriate controls to protect the funds from abuse.

The Board hereby establishes imprest petty cash funds in the care of the following persons and in the following amounts:

<u>Account Title</u>	<u>Custodian(s)</u>	<u>Amount</u>	<u>Maximum Single Expenditure</u>
High School	Building Principal	\$150.00	\$20.00
Memorial Middle School	Building Principal	\$150.00	\$20.00
Nellie Bennett School	Building Principal	\$100.00	\$20.00
Ocean Road School	Building Principal	\$100.00	\$20.00
Board Office		\$250.00	\$20.00

Petty cash funds may be disbursed only for the immediate payment of comparatively small expenditures and may not be used to circumvent the regular purchasing procedures of this district. Each request for petty cash funds must be in a written document that is signed by the person making the request; supporting documents, if any, will be affixed to the request.

The custodian of a petty cash fund shall submit to the Board Secretary a request for replenishment when the moneys available in the fund have declined to fifty percent or less of the authorized amount of the fund. The Board Secretary shall prepare a voucher for approval by the Board. The voucher will include disbursement slips to support the amount of the replenishment and its allocation to any account.

The petty cash box must be secured daily. All petty cash funds will be closed out for audit at the end of the school year, and unused funds will be returned to the depository. The custodian of each fund will report to the Board on amounts disbursed from the fund not less than once each year.

N.J.S.A. 2C:21-15
N.J.S.A. 18A:19-13; 18A:23-2
N.J.A.C. 6A:23-2.9 et seq.

Adopted: May 26, 2009



6630 ATHLETIC FUND

The Board of Education directs the establishment of an athletic fund for the financial administration of the interscholastic athletic program. Moneys may be collected from and disbursed for only the interscholastic athletic program duly approved by the Board of Education.

The Board will provide no subsidy to the interscholastic athletic program; costs incurred by the athletic program must be paid from income generated by the program.

The Athletic Director shall be responsible for the administration of the athletic fund. The fund will be audited annually and will be administered under appropriate accounting controls. The books of account will include income and expenses separately for each approved athletic program.

All gate receipts must be turned in to the Athletic Director within twenty-four hours of collection and must be deposited on the day they are received. Any funds collected outside of normal school hours must be held in the school safe and deposited the next business day.

All payments for supplies, equipment, and services for the interscholastic athletic program will be made in accordance with established purchasing procedures of the district. Disbursements from the athletic fund will be made by check and approved by the Student Activities Bookkeeper and Assistant School Business Administrator and/or School Business Administrator/Board Secretary.

N.J.S.A. 18A:19-14; 18A:23-2

Adopted: May 26, 2009



6650 SCHOLARSHIP FUND

In order to administer special funds bequeathed to this district for scholarship purposes, the Board of Education requires each such fund to be deposited in a separate interest bearing bank account carrying the name of the fund.

The Board office is authorized to obtain interest for each scholarship fund at the fixed bank rate on such terms as may seem to him/her advisable and to make, execute, and deliver all instruments of assignment and transfer.

Disbursements from a scholarship fund shall be made by the Student Activities Bookkeeper and Assistant School Business Administrator in accordance with a schedule for the high school guidance department.

The Board of Education must approve the establishment of all scholarship funds.

N.J.S.A. 18A:11-1

Adopted: May 26, 2009



6660 STUDENT ACTIVITY FUND

The Board of Education authorizes the establishment of a student activity account for funds derived from events and activities of pupil organizations and to account for the accumulation of money to pay for pupil group activities. The Board of Education may establish individual student activity accounts within a student activity account by Board resolution.

In accordance with the provisions of N.J.A.C. 6A:23A-16.12(a), the School Business Administrator/Board Secretary designates the Assistant School Business Administrator, in conjunction with the building principals, to administer the student activity account in each school building.

Funds collected for a student activity shall be turned into the principal or designee and deposited in the bank within twenty-four hours or the next school day after collection. Student activity funds shall be maintained in a secured and locked location prior to being deposited in the bank.

The student activity funds shall be maintained in an interest-bearing bank account separate from all other Board of Education funds and shall be classified by school in the event only a single student activity account is established for all schools in the district. The interest earned shall be disbursed to each individual student activity fund in proportion to the balances on deposit for each activity.

All student activity fund receipts shall be detailed and recorded by the individual student activity showing the date, source, purpose, and amount. The administrator of the student activity account shall provide a written receipt to the individual student activity advisor or coordinator when any student activity funds are turned in for deposit. A copy of these written receipts shall be maintained by the administrator of the student activity account and shall be traceable to the actual receipts or groups of receipts. All bank deposits shall agree with the copies of the written receipts for all deposits.

All requests for disbursements from the student activity account shall be submitted to the school's administrator of the student activity account and must be supported by a claim, bill, invoice, or written order. All disbursements from the student activity account shall be recorded chronologically by school and individual student activity showing date, vendor, check number, purpose, and amount. All disbursements shall be made by check requiring at least two signatures as authorized and approved by Board of Education resolution.



The student activity account shall be reconciled with the student activity bank account on a monthly basis and if the School Business Administrator designated an administrator of a student activity account, a copy of the reconciliation shall be submitted to the School Business Administrator/Board Secretary for review and approval. The bank account reconciliation shall be completed in accordance with the procedures and requirements established by the School Business Administrator/Board Secretary. Copies of canceled checks, bank statements, and bank account reconciliations shall be retained for examination by the licensed public school accountant as part of the annual audit required under N.J.S.A. 18A:23-1 et seq. and stated in N.J.A.C. 6A:23A-16.2(i).

Borrowing funds from any student activity account is prohibited. In addition, the Board of Education shall not be responsible for the protection of and the accounting for funds collected by any teacher or pupil for an outside school organization. In addition, the Board of Education shall not approve such funds for deposit in a student activity account.

Any funds accumulated in an individual student activity account that are unexpended or unallocated for use after the student activity is no longer active, discontinuance of the activity or a class has graduated shall revert to the school's activity accounts in the same manner as interest earned on the bank account is disbursed.

Student activity funds shall in so far as possible be expended in such a way as to benefit those pupils currently in school who have contributed to the accumulation of such funds.

Student body representation is an important factor in the democratic management of funds raised by the student body and expended for its benefit and should be required whenever possible at the High School and Middle School.. The student officers of each fund have the responsibility to review and sign off on each request for payment.

All new student activity funds and fundraisers must be approved by the Board of Education.

Lost money shall be replaced by the person responsible.

N.J.S.A. 18A:19-14; 18A:23-2
N.J.A.C. 6A:23A-16.12

Adopted: May 26, 2009
Revised: March 26, 2010



6700 INVESTMENTS/CASH MANAGEMENT PLAN

A. Purpose

To adopt Policy establishing a formal "Cash Management Plan".

B. Authority

Board of Education, Point Pleasant.

C. Statement of Policy

It shall be the policy of the Board of Education of Point Pleasant to adopt a Cash Management Plan, and to authorize the School Business Administrator/Board Secretary, Point Pleasant Schools to administer said Cash Management Plan, for the purpose of deposit and investment of maximum available funds in interest bearing instruments.

D. Definitions

Eligible Public Depositories

A State bank, a national bank, a savings bank or association which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation which receives or holds public funds on deposit. The Board of Education may make deposits in, or purchase certificates of deposit from banks which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act. The Board of Education shall designate said depositories, by resolution, at the annual reorganization meeting.

Interest Bearing Account

An account or time deposit in an eligible public depository, earning interest, or any deposit in the State of New Jersey Cash Management Plan.

Compensating Balance Account

An account at an eligible depository which pays no interest (or interest lower than one half of one percent of maximum) in return for specific services, i.e. check sorting and printing, reconciliations, payroll, bond and coupon accounts, and wire transfers.



Bond Proceeds

Proceeds of a bond sale or from Bond Anticipation Notes are potential sources of cash for investment. There are restrictions on the percent of interest that bond money can earn. There are no restrictions on the investment of proceeds from Bond Anticipation Notes.

Arbitrage

Arbitrage refers to the rules and regulations governing the issuance of bonds or notes and the reinvestment of the proceeds at a higher yield. These regulations are governed by the Internal Revenue Service (reg. 1.103.1).

Cash Management Fund

The New Jersey Cash Management Fund is a professionally managed investment fund which any local Board of Education may use in lieu of or as part of their own investment program.

E. Requirements

Although not required by, but pursuant to N.J.S.A. 40A:5-15, all monies collected or received from any source by or on behalf of the Board of Education shall be paid to the "Point Pleasant Board of Education", who shall deposit all such funds within seventy-two hours after receipt, to the credit of the Point Pleasant Board of Education in designated legal depository.

F. Exceptions

The following types of funds are not required to be placed in interest bearing accounts:

1. Petty cash funds;
2. Cash drawn from a Federal agency under a letter of credit, which cash is to be paid out within five working days to a vendor;
3. Deposits, retainage, or amounts posted by way of bond, held by the Board of Education for such things as faithful performance, if the Board of Education would be required by law to pay back any interest earned to the provider of the deposit, except where the Board of Education is required by law or court decision to invest the funds; and



4. Amounts derived from the sale of bonds or notes, only to the extent that a specific written opinion of counsel states that the earning of (full) interest would result in the bonds or notes being classified as an arbitrage (not federally tax-exempt) issue pursuant to Federal regulations. To the extent that some interest is allowable, it shall be deposited at such a rate if such a rate is obtainable.
- G. Responsibilities
- School Business Administrator/Board Secretary
- The School Business Administrator/Board Secretary, Point Pleasant Board of Education or his/her designee, as appointed by him/her shall be responsible for:
1. Designating Depositories

Shall make recommendations of legal public depositories to the Board of Education who shall, by resolution, designate said depositories at the annual reorganization meeting.
 2. Analyzing Cash Flow

An important part of establishing the Board of Education investment program includes detailed study of "cash flow" - when money comes in, when it goes out, and how much cash lies available for how long. Such an analysis provides the information needed to plan a viable investment procedure, including the projected length of time that funds can be invested in order to take full advantage of maturity periods with the highest yields. To determine and apply cash flow data, the School Business Administrator/Board Secretary should:

 - a. Analyze and chart the monthly total receipts, disbursements and bank balances to establish normal patterns. This will indicate when, during the year, balances are high and low;
 - b. Analyze and chart by month for the same period, selected major categories of receipts and disbursements - income from local sources, tax levy, State aid accounts, Federal agency accounts, expenditures and capital outlay. This will alert the School Business Administrator/Board Secretary to possible rescheduling of payments that will result in extending the life of short-term investments;



- c. Project the monthly data for each fund for six months; and
- d. Review the projections bi-monthly in light of actual figures and refine the data collected to account for changes in income and expenditures - then revise to improve cash availability for future investments. Revisions may include changing expenditure dates to lengthen the time that money remains on deposit, and improving methods for the collection of cash receipts.
- e. The School Business Administrator/Board Secretary is authorized to project average monthly available cash balances and prepare a request for proposals to seek competitive proposals from banking institutions to maximize interest on available cash balances and minimize banking costs.

3. Determining Available Funds

A thorough analysis of cash flow, as outlined above, will give the School Business Administrator/Board Secretary the ability to determine available funds for investment at any given time.

4. Choosing Investments

The School Business Administrator/Board Secretary shall seek the most advantageous investments and evaluate such investments based upon the following criteria: maturity, length of investment, and liquidity or opt to bid for the highest possible interest return on anticipated available cash balances.

Market prices fluctuate according to economic conditions and can change daily. The Wall Street Journal and The New York Times carry listings of available Federal Securities and their approximate daily prices. Generally, the larger denominations of securities will carry higher interest rates. The School Business Administrator/Board Secretary, therefore, may find it advantageous to pool various accounts in order to make one \$100,000.00 investment (for example), rather than several smaller investments.

As permitted by Section 1 of P.L. 1977, c.177 (c.18A:20-37), amended under Chapter 148 (Second Annual Session - 1997, Assembly No. 832), the Board of Education may use monies which may be on hand, for the purchase of the following types of securities, when authorized by resolution adopted by a majority vote of all its members:



- a. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, which collateral shall be delivered to or held by the investment company or investment trust, either directly or through an authorized custodian;
- b. Government money market mutual funds;
- c. Any obligation that a Federal agency or a Federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than three hundred ninety seven days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- d. Bonds or other obligations of the school district, or bonds or other obligations of the local unit or units within which the school district are located;
- e. Bonds or other obligations, having a maturity date of not more than three hundred ninety seven days from the date of purchase, approved by the Division of Investment in the Department of the Treasury for investment by school districts;
- f. Local government investment pools;
- g. Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- h. Agreements for the repurchase of fully collateralized securities, if
 - (1) The underlying securities are permitted investments pursuant to paragraphs a. and c. of this section;
 - (2) The custody of collateral is transferred to a third party;
 - (3) The maturity of the agreement is not more than thirty days; and
 - (4) The underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.



Any investment instruments in which the security is not physically held by the school district shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the school board and prevent unauthorized use of such investments.

Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the school district or a third party custodian prior to or upon the release of the school district's funds.

Any investments not purchased and deemed directly from the issuer, government money market mutual fund, local government investment pool, or the State of New Jersey Cash Management Fund, shall be purchased and redeemed through the use of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to Section 9 of P.L. 1967, c.93 (C.49:3-56) and has at least twenty five million dollars in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

For the purposes of this section:

- (1) A "government money market mutual fund" means an investment company or investment trust:
 - (a) Which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940", 15 U.S.C. § 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270:2a-7;
 - (b) The portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs a. and c. of this section; and



- (c) Which is rated by a nationally recognized statistical rating organization.
- (2) A "local government investment pool" means an investment pool:
 - (a) Which is managed in accordance with 17 C.F.R. § 270.2a-7;
 - (b) Which is rated in the highest category by a nationally recognized statistical rating organization;
 - (c) The portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs a. and c. of this section;
 - (d) Which is in compliance with rules adopted pursuant to the "Administrative Procedure Act," P.L. 1968, c.410 (C.52:14B-1 et seq.) by the Local Finance Board of the Division of Local Government Services in the Department of Community Affairs, which rules shall provide for disclosure and reporting requirements, and other provisions deemed necessary by the Board to provide for the safety, liquidity and yield of the investments;
 - (e) Which does not permit investments in instruments that are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value; and
 - (f) Which purchases and redeems investments directly from the issuer, a government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within this State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to Section 9 of P.L. 1967, c.93 (C.49:3-56) and has at least twenty-five million dollars



in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

Investments in, or deposits or purchases of financial instruments made pursuant to this section shall not be subject to the requirements of the "Public School Contracts Law", N.J.S.A. 18A:18A-1 et seq.

Note: The investment in derivative securities is not allowed.

Auditor

The Board of Education's investment practices and the agreement for banking services and compensation thereof shall be reviewed by the Auditor as part of the annual audit.

N.J.S.A. 17:9-41 et seq.; 17:12B-241

N.J.S.A. 18A:17-34; 18A:17-36; 18A:20-37; 18A:24-47

N.J.S.A. 40:3-7

N.J.S.A. 40A:5-14; 40A:5-15.1

Adopted: May 26, 2009



6740 RESERVE ACCOUNTS

The Board of Education or Board of School Estimate, as appropriate, may at any time establish by Board resolution a capital reserve account, pursuant to N.J.S.A. 18A:21-2 and 3, and 18A:7G-31.

Funds in the capital reserve account shall not be used for current expenses, pursuant to N.J.S.A. 18A:22-8.2, and shall only be used for purposes as outlined in N.J.A.C. 6A:23A-14.1(b). The Board of Education may increase the balance in the capital reserve account by appropriating funds in the annual general fund budget certified for taxes to meet the needs of the Long-Range Facilities Plan (LRFP) that are not met by State support. The balance in the account may also be increased by requesting approval from the Executive County Superintendent, as the Commissioner's designee, to appropriate any excess unreserved general fund balance as calculated in the supporting documentation of the proposed budget into capital reserve in the proposed budget pursuant to N.J.S.A. 18A:7F-7b only when the Board of Education has formally established a capital reserve account and obtained an approved LRFP in accordance with N.J.A.C. 6A:26-2. The Board of Education, at its option, may satisfy the withdrawal approval requirements set forth in N.J.A.C. 6A:23A-14.1(h) in accordance with the procedures as outlined in N.J.A.C. 6A:23A-14.1(d).

The Board of Education may request express approval of the voters for appropriation of additional amounts into the capital reserve in accordance with the procedures as outlined in N.J.A.C. 6A:23A-14.1(e). The Board of Education shall not deposit into a capital reserve account audited excess undesignated, unreserved general fund balance. The Board of Education shall reserve and designate such funds in the subsequent year's budget pursuant to N.J.A.C. 6A:23A-8.5(b). The Board of Education shall maintain an amount of funds in the capital reserve account that does not exceed the amount needed to implement capital projects in a school district's LRFP that are not met by State support.

The Board of Education may withdraw funds from the capital reserve account at any time in accordance with the provisions of N.J.A.C. 6A:23A-14.1(h). However, the Board of Education or Board of School Estimate, as appropriate, may at any time, apply to the Commissioner for approval to withdraw funds from its capital reserve account for uses authorized in N.J.A.C. 6A:23A-14.1(b). The Board of Education or Board of School Estimate, as appropriate, may make a withdrawal pursuant to N.J.A.C. 6A:23A-14.1(i) only upon receipt of written approval of the Commissioner and the Board of Education



shall establish to the satisfaction of the Commissioner that an emergent condition exists necessitating an immediate withdrawal of capital reserve account funds.

The Board of Education shall administer and account for the capital reserve account in accordance with the requirements of N.J.A.C. 6A:23A-14.1(j). Funds in capital reserve accounts in existence prior to July 18, 2000 are subject to the Educational Facilities Construction and Financing Act (EFCFA), P.L. 2000, c. 72, and N.J.A.C. 6A:23A-14, and the Board of Education shall only use such funds for the original purpose for which the funds were deposited and as outlined in N.J.A.C. 6A:23A-14.1(k)1. and (k)2.

The Board of Education shall establish, by resolution, a maintenance reserve account in accordance with the provisions of N.J.A.C. 6A:23A-14.2 to be used to implement required maintenance of the school district's facilities. The Board of Education is prohibited from using such funds for routine or capital maintenance and the account shall be established and maintained in accordance with Generally Accepted Accounting Principles (GAAP) and shall be subject to annual audit pursuant to N.J.S.A. 18A:23-1 et seq. The balance in the maintenance reserve account may be increased by appropriating funds in the annual general fund budget certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4 in accordance with the provisions of N.J.A.C.6A:23A-14.2(d). In any year that maintenance reserve account funds are withdrawn, the Board of Education shall restore any unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, to the maintenance reserve account at year-end.

The Board of Education shall, by resolution, transfer to the general fund on an annual basis any interest earned on the investments in the maintenance reserve account. Such interest may be transferred on a more frequent basis at the discretion of the Board of Education. The Board of Education shall ensure the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the Board of Education shall reserve and designate such excess in the subsequent year's budget.

The Board of Education or Board of School Estimate, as appropriate, may supplement a capital reserve account in accordance with requirements as outlined in N.J.A.C. 6A:23A-14.3. The Board of Education or a Board of School Estimate, as appropriate, may through the adoption of a Board resolution, establish a current expense emergency



reserve account, a debt service reserve account, and a tuition adjustment reserve account in accordance with requirements as outlined in N.J.A.C. 6A:23A-14.4.

All reserve accounts shall be recorded in accordance with GAAP and subject to annual audit. Any capital gains or interest earned shall become part of the reserve account. A separate bank account is not required; however, a separate identity for each reserve account shall be maintained.

N.J.S.A. 18A:7G-31; 18A:21-2

N.J.A.C. 6A:23A-14.1; 6A:23A:14.2; 6A:23A-14.3; 6A:23A-14.4; 6A:23A-14.5

Adopted: October 25, 2010



6810 FINANCIAL OBJECTIVES

The Board of Education recognizes its responsibility to the taxpayers of the district and the State to expend public moneys wisely and prudently for the maintenance of a thorough and efficient system of public education and to institute appropriate controls and accounting procedures.

The Board shall use accounting and reporting directives as prepared, published and distributed by the Commissioner of Education in addition to any books, materials or bulletins, for the guidance of school officials in establishing and maintaining the double entry bookkeeping and accounting system mandated in N.J.A.C. 6A:23-2.1.

The Board shall develop a system of accounting and reporting objectives that make it possible to present fairly and with full disclosure the funds and activities of the district and to determine and demonstrate compliance with finance-related legal and contractual matters. The Board shall develop an accounting system that is organized and operated on a fund basis and shall report governmental, proprietary and fiduciary funds in the fund financial statements to the extent they have activities that meet the criteria for using those funds. The Board shall establish and maintain those funds required by law and sound financial administration (only the minimum number of funds consistent with legal and operating requirements should be established) and use the modified accrual or accrual basis of accounting as appropriate in measuring financial position and operating results in accordance with GAAP and regulatory provisions. Transfers shall be recognized in the accounting period in which the interfund receivable and payable arise.

The Board shall adopt an annual budget and include the adopted annual budget in the minutes of the Board. A detailed budget statement, which includes the classification of expenditures by program and function shall be prepared on a fund basis in accordance with N.J.S.A. 18A:22-8 and on a form prescribed by the Commissioner. A detailed budget shall be prepared for each special project, capital project, and Federal or State grant. This budget shall be maintained, along with all authorized revisions, on file in the district Board of Education or Charter School Board of Trustees business office. The Board shall take appropriate action, as necessary, to maintain a balanced budget.

The Board shall ensure the accounting system provides the basis for appropriate budgetary control, and that budgetary comparison schedules are included in the appropriate financial statements and schedules for governmental funds in accordance with GAAP.



The Board shall use a common terminology and classification consistently throughout the budget, the accounts, and the financial reports of each fund, and shall adopt a chart of accounts prepared in conformity with N.J.A.C. 6A:23-2.2(g)1.

N.J.S.A. 18A:4-14; 18A:4-14.1; 18A:18A-1 et seq.;
18A:19-1 et seq.; 18A:22-7 et seq.
N.J.A.C. 6A:23-2.2 et seq.

Adopted: May 26, 2009



6820 FINANCIAL REPORTS (M)

The Board of Education directs the School Business Administrator/Board Secretary and the Treasurer of School Moneys, or designee, to make such accurate and timely reports to county, State, and Federal offices as required by law and rules of the State Board of Education. In addition, the School Business Administrator/Board Secretary and Treasurer, or designee, shall report to the Board on the financial condition of the school district in accordance with law and in the manner and form required by the State Department of Education. There shall be a common terminology and classification system used consistently throughout the budget, the accounts, and the financial reports of each fund. The district will establish and implement an adequate internal control structure and procedures for financial reporting.

The School Business Administrator/Board Secretary shall prepare monthly financial statements, reports of financial condition, operating results, and other pertinent information in accordance with directions issued by the Commissioner of Education, to facilitate management control of financial operations, legislative oversight and, where necessary or desired, for external reporting purposes.

If no line item account has encumbrances and expenditures that in total exceed the line item appropriation in violation of N.J.A.C. 6A:23A-16.10(a), the School Business Administrator/Board Secretary shall so certify to the Board each month. If a violation has occurred, corrective action as outlined in N.J.A.C. 6A:23A-16.10(c)3.i shall be taken by the Board.

The Board of Education, after review of the monthly financial reports and upon consultation with the appropriate district officials, shall certify in the minutes of the Board each month that no fund has been overexpended in violation of N.J.A.C. 6A:23A-16.10(b) and that sufficient funds are available to meet the district's financial obligations for the remainder of the fiscal year. If the Board is unable to make such a certification, the Superintendent of Schools shall initiate the steps outlined in N.J.A.C. 6A:23A-16.10(b) and shall reflect such directive in the minutes of the Board. If the Board makes such certification but one or more Board members vote no to the certification, the Board shall provide to the Executive County Superintendent the Board vote, names of the members that voted no, and the reason for the no vote.

If the reports of the School Business Administrator/Board Secretary and the Treasurer differ in cash receipts or expenditures, the School Business Administrator/Board Secretary shall resolve the difference prior to the next meeting of the Board. Any difference that cannot be rectified shall be referred immediately to the Auditor. In the event the School Business Administrator/Board Secretary is more than two months



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behind in submitting the financial report to the Board pursuant to N.J.S.A. 18A:17-9, the Superintendent of Schools shall report this non-compliance to the Executive County Superintendent.

N.J.S.A. 18A:17-9; 18A:17-36

N.J.S.A. 54:4-75

N.J.A.C. 6A:23A-16.2; 6A:23A-16.9; 6A:23A-16.10

Cross reference: Policy Guide No. 1320

Adopted: May 26, 2009

Revised: June 20, 2011



6830 AUDIT AND COMPREHENSIVE ANNUAL FINANCIAL REPORT (M)

The Board of Education will prepare and publish a Comprehensive Annual Financial Report (CAFR) in accordance with the requirements of N.J.S.A. 18A:23-1 through 18A:23-7 and N.J.A.C. 6A:23A-16.2(i).

The Board shall annually cause an audit to be made of the district's accounts and financial transactions. The audit will be conducted in accordance with law by the public school accountant appointed by the Board. The Board will engage only a licensed public school accountant to conduct the audit in accordance with N.J.S.A. 18A:23-1 et seq. who has an external peer/quality report performed in accordance with the requirements of N.J.A.C. 6A:23A-16.2(i).

The audit shall include test measures to assure that documentation prepared for income tax purposes complies fully with the requirements of Federal and State laws and regulations regarding the compensation which is required to be reported and the requirements of N.J.A.C. 6A:23A-4.2 and 6A:23A-4.3.

The Board Secretary will receive the audit report and recommendations of the public school accountant and prepare or have prepared a synopsis or a summary of the annual audit and recommendations prior to the holding of the Board meeting where the Board will take action on the report. Copies of the synopsis or summary will be available for distribution to interested parties at the meeting.

Within thirty days of the receipt of the audit report, the Board will, at a regularly scheduled public meeting, cause the recommendations of the public school accountant to be read and discussed and the discussion duly noted in the minutes of the Board meeting.

The Board will implement the audit recommendations and report such implementation to the Commissioner.

In the event the district has repeat audit findings in the Auditor's Management Report submitted with the CAFR in any year shall, within thirty days of the CAFR submission, submit to the Executive County Superintendent or State fiscal monitor, as applicable, a specific corrective action plan for addressing the repeat audit findings in accordance with the provisions of N.J.A.C. 6A:23A-4.4.



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The Board directs the Superintendent and other appropriate district officers and employees to cooperate fully with the public school accountant and to keep faithfully such records and reports as will assist in the audit process.

N.J.S.A. 18A:23-1; 18A:23-2; 18A:23-2.1; 18A:23-3; 18A:23-4;
18A:23-5; 18A:23-8
N.J.A.C. 6A:23A-4.2; 6A:23A-4.3

Cross reference: Policy Guide No. 0173

Adopted: May 26, 2009
Revised: October 25, 2010

