

### BUDGET TRANSFERS, EMERGENCY PURCHASES AND OVEREXPENDITURE OF FUNDS

#### 6422 BUDGET TRANSFERS, EMERGENCY PURCHASES AND OVEREXPENDITURE OF FUNDS (M)

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

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

#### Transfer of Funds

No encumbrance or expenditure will be approved which when added to the total existing encumbrances and expenditures exceed the amount appropriated by the Board in the applicable line item account established pursuant to the minimum chart of accounts provided by the New Jersey Department of Education. The Board may transfer to effectuate the approval of encumbrances or expenditures prohibited above from line item accounts with available appropriation balances. These transfers shall be made prior to the approval of such encumbrances or expenditures in accordance with N.J.S.A. 18A:22-8.1 and 8.2. The Superintendent shall request Board approval for the transfer of sufficient funds to meet the expenditure except that the Superintendent may approve such transfers as are necessary between meetings of the Board and shall report any such transfers to the Board for ratification at the next monthly Board meeting.

#### Emergency Purchases

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

#### Overexpenditure of Funds



# POLICY

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

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

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

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

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

N.J.S.A. 2C:30-4  
N.J.S.A. 18A:18A-1 et seq.; 18A:22-8 et seq.  
N.J.A.C. 6:20-2A.10 et seq.; 6:20-2A.11; 6:20-8.5

Adopted: 17 October 2000

