
TRANSFER OF FUNDS BETWEEN LINE ITEMS/AMENDMENTS/
PURCHASES NOT BUDGETED

Appropriate fiscal controls shall ensure that the board does not spend more than authorized funds. The board secretary shall keep the board informed of the district's financial status according to law.

Except in the case of federal basic skills improvement funds, the board designates the chief school administrator to approve such transfers among line items and programs as are necessary between meetings of the board. Transfers approved by the chief school administrator shall be reported to the board, ratified, and recorded in the minutes at a subsequent meeting of the board, but not less than monthly.

When the necessity arises for an unbudgeted expenditure, and there are no available funds in other line items in the same category, the procedures required by administrative code shall be initiated.

Mandated: The district utilizes an expanded chart of accounts pursuant to N.J.A.C.6:20-2A.2(m)2

Date:

First Adoption: December 20, 1989

Review Date: September 28, 2008

Revision and Adoption: October 23, 2008

Review Date: December 19, 2010

Revision and Adoption: January 27, 2011

Legal References:

Mandated:

N.J.A.C. 6A:23-2.11(a)2 requires that when a district board of education adopts an expanded chart of accounts pursuant to N.J.A.C. 6A:23-2.2(g)2, that district board of education must adopt a policy concerning the controls over appropriations for line item accounts that exceed the minimum level of detail established pursuant to N.J.A.C. 6A:23-2.2(g)1. If the board fails to adopt such a policy, the restrictions contained in N.J.A.C. 6A:23-2.11(a)1 shall apply to line item accounts that exceed the minimum level of detail.

Other Reasons:

N.J.S.A. 2C:30-4 establishes knowing disbursement of moneys or incurring of obligations by board members in excess of appropriations or an amount limited by law as a crime of the fourth degree subject to fine and imprisonment.

N.J.S.A. 18A:22-8.1 provides (1) that a board may transfer funds among line items and program categories by resolution of the board; (2) that a board (by resolution) may designate the chief school administrator to approve such transfers as are necessary between meetings of the board and that such transfers shall be reported to the board, on at least a monthly basis, ratified and duly recorded in the minutes; and (3) that when the commissioner of education directs a comprehensive compliance investigation of a district in Level III monitoring, the board of education must obtain the written approval of the county superintendent prior to implementing any transfer of funds.

N.J.S.A. 18A:22-8.2 lists funds transfers that are prohibited.

N.J.A.C. 6A:23-2.11 forbids the board to incur a deficit.

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Regulations for management of federal basic skills improvement funds require county superintendent approval of certain transfers.

BSI application assurances (reflecting federal law) require that the board as LEA retain control of federal funds.

<u>N.J.S.A.</u> 2C:30-4	Disbursing moneys, incurring obligations in excess of appropriations
<u>N.J.S.A.</u> 18A:17-9	Secretary; report of appropriations, etc.; custodial duties, etc.
<u>N.J.S.A.</u> 18A:18A-7	Emergency purchases and contracts
<u>N.J.S.A.</u> 18A:22-8.1	Transfer of amounts among line items and program categories
<u>N.J.S.A.</u> 18A:22-8.2	Prohibited transfers
<u>N.J.S.A.</u> 18A:24-48 through -54	Application of proceeds to new purpose; in districts having boards of school estimate; certification by boards of education
<u>N.J.A.C.</u> 6A:23A-16.1 <u>et seq.</u> See particularly <u>N.J.A.C.</u> 6A:23A-16.2, -16.10	Double Entry Bookkeeping and GAAP Accounting in Local School Districts
<u>N.J.A.C.</u> 6A:30-1.1 <u>et seq.</u>	Evaluation of the Performance of School Districts

Hawkins-Stafford Elementary and Secondary School Improvement Act of 1988 (Pub. L. 100-297)

Guidelines for Development of Application--Basic Skills Improvement Plan--New Jersey State Department of Education, revised annually

Guidelines for Development of Program Plan--Bilingual/ESL Education Programs--New Jersey State Department of Education, revised annually

Possible

Cross References:

3000/3010	Concepts and roles in business and non-instructional operations; goals and objectives
3100	Budget planning, preparation and adoption
3170	Budget administration
3300	Expenditures/expending authority
3320	Purchasing procedures
3570	District records and reports
3571	Financial reports
6142.2	English as a second language; bilingual/bicultural
6171.3	At-risk and Title 1
9127	Appointment of auditor
9325.4	Voting method
9326	Minutes

Key Words: Transfer of Funds, Budget, Budget Amendment