

THE SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD, NEW JERSEY

FINANCES
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Financial Objectives
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6810 FINANCIAL OBJECTIVES

~~The Board of Education shall 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 alone is authorized by law to fix the school budget, approve bids, and approve substantial expenditures of district funds. The district shall not incur a deficit.~~

~~The certified School Business Administrator shall establish and implement sound accounting practices, institute effective business practices, recommend the acquisition of appropriate accounting equipment, present to the Board accurate and timely fiscal and statistical reports of the district, report annually to the Board on the effectiveness of district financial operations, and recommend improvement in those operations.~~

~~The books of account and the classification of expenditures shall be maintained in accordance with rules of the State Board of Education and the standards promulgated by the State Department of Education. Any change in forms, system of accounts, or methods of maintaining the books must be approved by the Board of Education and the State Department of Education.~~
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.~~20-2.1~~

Initial Adoption: April 2, 2001

First Reading: ~~March 12, 2001~~ April 29, 2019

Second Reading: ~~March 19, 2001~~

~~Adopted:~~ ~~April 2, 2001~~ Latest Adoption: