

# REGULATION

## PATERSON SCHOOL DISTRICT

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### 6422 BUDGET TRANSFERS

- A. Transfer of Surplus or Other Unbudgeted or Underbudgeted Revenue Between April 1 and June 30
1. The Board may transfer surplus or other unbudgeted or underbudgeted revenue between April 1 and June 30 only upon prior approval of the transfer by the County Superintendent, as the Commissioner's designee, pursuant to N.J.S.A. 18A:22-8.1.
  2. Requests must be received by June 30.
  3. All approved transfer requests must be expended or encumbered by June 30 on approved use, or the district shall reserve and designate such funds for tax relief in the subsequent budget year.
  4. To request approval of such transfers, the district shall submit to the County Superintendent the following:
    - a. Documentation of approval of the transfer by a two-thirds affirmative vote of the authorized membership of the Board;
    - b. Certification by that same membership of the Board that the transfer is necessary to achieve the thoroughness standards for the current year. The certification shall include the purpose, need of transfer, and include, at a minimum, a list of specific line items to be transferred into and corresponding amounts. Requests to appropriate surplus for textbooks, computers, equipment, or other needs for use and operation for the subsequent school year is not considered a need for the current year and shall not be approved; and



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- c. The latest Board Secretary's report as documentation that no other line item balances are available and all appropriation balances are or will be expended or encumbered.
- B. Transfer of Surplus or Other Unbudgeted or Underbudgeted Revenue Prior to April 1
1. Prior to April 1, a Board may petition the Commissioner, by a two-thirds affirmative vote of the authorized membership of the Board, for approval of a transfer of surplus or other unbudgeted or underbudgeted revenue only for an emergent circumstance.
  2. The district shall be subject to an on-site inspection by the County Superintendent for verification of the emergent circumstance and other supporting documentation.
  3. The district shall submit such Board approved petition to the County Superintendent for recommendation to the Commissioner. At a minimum, the submission shall include the following:
    - a. Certification the transfer is necessary for an emergent circumstance, that no other line item balances are or will be available, and that the remaining surplus will enable the district to operate in a fiscally solvent position for the remainder of the budget year;
    - b. Documentation the emergent circumstance, if not addressed through an appropriation of additional revenue, would render peril to the health and safety of pupils or staff, and/or force the district into an operating deficit as a result of



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the required implementation of the thoroughness standards;

c. The latest Board Secretary's report as documentation that no other line item balances are or will be available as set forth below:

(1) Any unexpended, unencumbered balances are for non-discretionary fixed costs and supported by historical expenditures or other documentation ensuring that the balances will be expended by June 30.

d. Evidence of approval of the petition and supporting documentation by a two-thirds affirmative vote of the authorized membership of the Board.

### C. Appropriations At Any Time Without Commissioner Approval

1. The Board may at any time and without Commissioner approval:

a. Appropriate unbudgeted or underbudgeted State aid for which the approval was granted by the Department of Education in the written notification to the Board of the additional aid;

b. Appropriate unbudgeted and underbudgeted tuition revenue generated from a school district-specific program, which is not part of a formal sending-receiving relationship pursuant to N.J.S.A. 18A:38-19 and 18A:46-21;

c. Appropriate unbudgeted or underbudgeted school transportation revenue generated from a school district's or Coordinated Transportation Services Agency's role as the host provider of school



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transportation services pursuant to N.J.S.A.  
18A:39-11 and 18A:39-11.1;

- d. Appropriate unbudgeted or underbudgeted restricted miscellaneous local revenue;
- e. Appropriate unbudgeted or underbudgeted Federal revenue;
- f. Appropriate surplus generated from any Federal and/or State revenue excluded from the excess surplus calculation in the prebudget year in accordance with the annual audit program.

### D. Transfers from General Fund Appropriation Accounts

- 1. For the purposes of Policy and Regulation 6422, "general fund appropriation account" means the required advertised appropriation accounts pursuant to N.J.S.A. 18A:22-1 et seq., except where consolidated as follows:
  - a. Basic skills, bilingual and special education instruction, including other related and extraordinary services;
  - b. Pupil activities, pupil athletics, and other pupil instructional services;
  - c. Pupil support services, including attendance, health, guidance, Child Study Team, and media;
  - d. Improvement of instruction and staff training; and
  - e. Special programs (Fund 13).
- 2. For all transfers from any general fund appropriation account as defined in D.1. above, and as amended to include prior year encumbrances carried forward to the



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current year and revenue appropriated pursuant to C. above, the Board shall obtain the approval for such transfers by two-thirds affirmative vote of the authorized membership of the Board, pursuant to N.J.S.A. 18A:22-8.1.

- a. When the total amount of such transfers, on a cumulative basis, exceeds ten percent of the amount of the account that was included in the school district's budget as certified for taxes, as amended to include prior year encumbrances carried forward to the current year and revenue appropriated pursuant to C. above, the Board shall request in writing approval from the County Superintendent, as the Commissioner's designee, by submitting the request and purpose for the transfer using the report pursuant to (1) below.
  - (1) The Board may request approval from the County Superintendent prior to obtaining the two-thirds affirmative vote of the authorized membership of the school Board for such approval.
  - (2) The Board's written transfer request shall be deemed approved after ten working days of receipt of such request by the County Superintendent if no County Superintendent approval or denial is provided within that timeframe. The district shall maintain documentation of the County Superintendent's receipt of all transfer requests deemed approved under this provision.
- b. Prior to any transfers from capital outlay accounts to current expense, except for equipment, the district shall submit a written request for approval to the County Superintendent with



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documentation that such transfer is required due to demonstrated hardship.

### E. Transfers To Certain Advertised Appropriation Accounts

1. For all transfers to the advertised appropriation accounts identified as general administration, school administration, central services and administrative information technology, or other support services that, on a cumulative basis, exceed ten percent of the amount of the account included in the school district's budget as certified for taxes, amended to include prior year encumbrances carried forward to the current year, a Board shall, prior to such transfer, submit to the County Superintendent, in a format prescribed by the Commissioner, a request for such approval.
  - a. Such approval will not be granted, except as provided in b. below if:
    - (1) The school district's budget currently exceeds the administrative cost limits; or
    - (2) The transfer would place the school district's budget in excess of the administrative cost limits in the applicable budget year, as prescribed in N.J.A.C. 6A:23-8.2.
  - b. Transfers may be approved to support a contractual obligation or one-time increase in spending as justified by district documentation. A district that is granted such approval remains subject to the requirements set forth in N.J.A.C. 6A:23-8.2.

### F. Transfers To Capital Outlay Accounts



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1. For all transfers to the advertised appropriation accounts identified as capital outlay for a capital outlay project not previously approved by the voters or Board of School Estimate pursuant to N.J.A.C. 6A:23-8.4, the Board shall, prior to such transfer, submit to the County Superintendent a request for such approval. Approvals are required for unbudgeted or underbudgeted revenue, including those listed and appropriated pursuant to C. above and shall only be granted for requests with written documentation that supports the existence of an emergent circumstance as defined in B.3.b. above and only after an on-site inspection by the County Superintendent to verify the emergent circumstance. Transfers to equipment accounts or to supplement a capital outlay project previously approved by the voters or Board of School Estimate, pursuant to N.J.A.C. 6A:23-8.4, do not require approval by the County Superintendent.
  - a. The district shall maintain a report of current month and year-to-date transfers between general fund appropriation accounts as defined in D. above, in a format prescribed by the Commissioner, or in a format developed locally and approved by the County Superintendent, and submit such report to the County Superintendent with any transfer requests and in accordance with the submission requirements of the Board Secretary's and Treasurer's financial reports under N.J.A.C. 6A:23-2.12.

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