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6111R	Special Education Medicaid Initiative (SEMI) Program	14 Sept. 2010
6112	Reimbursement of Federal and Other Grant Expenditures	11 Jan. 2011
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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 students. Districts shall enter all students following their evaluations into the third-party system to identify the district's universe of eligible students. 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).

A school district that has less than ninety percent participation of SEMI eligible students 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 students 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).



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Special Education Medicaid Initiative (SEMI) Program

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: 11 August 2009



R 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).

A. Waiver

1. The school district may seek, in the prebudget year, a waiver of the requirements of N.J.A.C. 6A:23A-5.3 upon demonstration that for the subsequent school year:
 - a. The district projects, based on reliable evidence, that it will have forty or fewer Medicaid eligible classified students; or
 - b. The district demonstrates that efforts to participate in SEMI would not provide a cost benefit to the district, based on the projection of the district's available SEMI reimbursement for the budget year as set forth in N.J.A.C. 6A:23A-5.3 (c) and B. below.
2. For the 2008-2009 school year, the waiver request must be submitted to the Executive County Superintendent by September 1, 2008. The Executive County Superintendent or Acting Executive County Superintendent shall promptly review the request and render a decision no later than September 30, 2008.
3. Beginning with the 2009-2010 school year, the application for a waiver of the requirements of N.J.A.C. 6A:23A-5.3 shall be made to the Executive County Superintendent no less than forty-five days prior to the submission of the district's proposed budget for the school year to which the waiver request applies. The Executive County Superintendent shall notify the district of the decision on the waiver application within twenty days of receipt of the waiver request. If the waiver is not granted, the district shall submit a SEMI action plan to the Executive County Superintendent as required by N.J.A.C. 6A:23A-5.3(f) as part of its annual school district budget submission or demonstrate to the Executive County Superintendent the district has achieved maximum participation in the SEMI program in the prebudget year.



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B. Projection of Available SEMI Reimbursement

1. As part of the annual budget information, the New Jersey 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. The projection shall be based on the following:
 - a. Number of Medicaid eligible students;
 - b. Assumption of twenty services per eligible students per year;
 - c. One IEP meeting per eligible student per year; and
 - d. Applicable SEMI reimbursement rates.
2. 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 of available SEMI reimbursement. 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.

C. SEMI Program Requirements

1. 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 students. Districts shall enter all students following their evaluations into the third-party system to identify the district's universe of eligible students. This can be done without parental consent.
2. Districts participating in the SEMI reimbursement program shall comply with program requirements as follows:
 - a. The school district shall implement Policy and Regulation 6111 concerning the effective and efficient administration of the SEMI reimbursement program consistent with the requirements of N.J.A.C. 6A:23A-5.3.



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Special Education Medicaid Initiative (SEMI) Program

- b. Any service submitted to Medicaid for reimbursement shall be rendered by a Medicaid qualified practitioner, or rendered by a provider under the supervision of a Medicaid qualified practitioner. The following outlines the required documentation for each related service provider:
 - (1) Nurses – copy of license (DOE certification is not required for SEMI);
 - (2) Occupational Therapist – copy of license and DOE certification;
 - (3) Physical Therapist - copy of license and DOE certification;
 - (4) Psychologist – copy of DOE certification;
 - (5) Social Worker - copy of DOE certification;
 - (6) Speech Therapist – Copy of DOE certification and American Speech-Language-Hearing Association (ASHA) Certification or Copy of DOE certification and past or present license (on or after January 1, 1993); or copy of DOE certification and documentation that the equivalent educational requirements and work experience necessary for ASHA certification have been met.
3. Practitioners who are not Medicaid qualified can deliver services under the direction of Medicaid qualified practitioners. These include certified occupational therapist assistants (COTAs), physical therapist assistants (PTAs) and speech correctionists.
4. Any direct therapy or other related service shall be prescribed in the related services section of the student’s IEP prior to submitting a claim to Medicaid for reimbursement. Delivery of nursing services and dispensing of medication must be referenced in the IEP and supported by physicians’ orders or prescriptions. These documents must be maintained on file. The supporting documentation to be maintained by the school district shall be the cover/signature page, related services section of the IEP, therapy logs, and the evaluations and assessments conducted by the Medicaid-qualified practitioners.



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Special Education Medicaid Initiative (SEMI) Program

5. Entities where the school district has placed SEMI eligible students shall take steps to enable school districts to maximize participation, including either logging the eligible services provided directly through the vendor or the sending school district, as mutually agreed upon with the school district, and obtaining SEMI provider qualification certifications. Every out-of-district placement must provide copies of SEMI provider qualifications, certifications and licenses. This provision applies to the following out-of-district placement options:
 - a. Approved private schools for students with disabilities;
 - b. Educational services commissions;
 - c. Jointure commissions;
 - d. Vocational half-time programs;
 - e. Department of Education Regional Day Schools; and
 - f. Special Service School Districts.
 6. All supporting documentation for a Medicaid claim shall be maintained on file and available for audit or State review for at least seven years from the date of service. Supporting documentation shall include provider certification (current and historical for each provider), provider service logs, licenses and certifications, physician authorizations for nursing services, parental consent forms, attendance records, and copies of the student's IEP.
- D. SEMI Action Plan
1. Each school district that has less than ninety percent participation of SEMI eligible students in the 2007-2008 school year or has failed to comply with all program requirements set forth in C. above, 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 students in the prebudget year or that has failed to comply with all program requirements set forth in C. above 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.
 2. The SEMI action plan shall include the following components:



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Special Education Medicaid Initiative (SEMI) Program

- a. Procedures for obtaining parental consent forms including the Parental Consent Best Practices which are available from the New Jersey Department of Education.
- b. Establishment of a benchmark for the 2008-2009 school year or for the first year the district does not have an approved waiver pursuant to the provisions of N.J.A.C. 6A:23A-5.3(b), whichever is applicable, for obtaining maximum participation of all SEMI eligible students by the start of the subsequent school year:
 - (1) The benchmarks for the 2008-2009 school year or for the first year that the district does not have an approved waiver pursuant to N.J.A.C. 6A:23A-5.3(b), whichever is applicable, for achieving maximum participation shall at a minimum close the gap between current participation and maximum participation by fifty percent by the beginning of the subsequent school year; and
 - (2) The benchmarks shall be based on the percentage of parental consent forms collected from eligible students. The number of parental consent forms shall reflect one parental consent form for each eligible student. This should include documentation of parental refusal to give consent.
- c. Procedures to ensure that all IEP meetings are documented in the third-party administrator's system. IEPs are only claimable if a Medicaid qualified practitioner is present.
- d. Procedures to ensure that all SEMI eligible services, including services provided by entities where the school district has placed SEMI eligible students, are documented in the third-party administrator's system.
- e. Procedures to ensure that a valid IEP is on file and the IEP date is on file in the third-party administrator's system for each SEMI eligible student for whom parental consent has been obtained.
- f. Procedures to ensure that service providers used by the school district and entities where the school district has placed SEMI eligible students have valid licenses and certifications documenting SEMI provider qualifications on file in the third-party administrator's system.



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- E. 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 they fully implemented their New Jersey Department of Education approved SEMI action plan required above 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.

Issued: 11 August 2009

Issued: 14 September 2010



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 sub grantees, 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, 11-A, IT-D, 171, 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 sub grant. 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 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.



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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: 11 January 2011



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R 6112 **REIMBURSEMENT OF FEDERAL AND OTHER GRANT EXPENDITURES**

The State of New Jersey and school districts must assure certain Federal and other grant 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 outlined in this Regulation are to be followed by school districts in submitting reimbursement requests. Reimbursement requests for entitlement grant awards under Titles 1, II-A, 1I-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.

A. Definitions

1. "Cost objective" means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.
2. "Grant" means an award of financial assistance by the Federal government to the State of New Jersey, Department of Education or funds NJDOE receives from the State legislature to be awarded to eligible subgrantees.
3. "Grantee" means the State of New Jersey, Department of Education, to which a grant is awarded by the Federal government.
4. "Subgrant" means an award of financial assistance to an eligible subgrantee, in this case, awards by the State of New Jersey, Department of Education to local education agencies or other eligible entities.
5. "Subgrantee" means the local education agency, school district, or other legal entity to which a subgrant is awarded and which is accountable to the State of New Jersey, Department of Education for the use of funds provided.

B. Procedures

1. Functionality
 - a. The School Business Administrator/Board Secretary or designee will submit reimbursement requests using the payment functionality of the EWEG system.



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- b. The payment functionality will be enabled upon final NJDOE approval of the subgrant application through the EWEG system.
2. Submission of Reimbursement Requests
- a. The School Business Administrator/Board Secretary or designee will make reimbursement requests for individual titles and awards. Therefore, reimbursement requests for NCLB will be made for each individual title. Reimbursement requests for IDEA must be made separately for Basic and Preschool as well as for the Perkins Secondary and Perkins Post-Secondary grant funds. Only one reimbursement request per month may be submitted for an individual title or award.
 - b. 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 following examples are based upon the schedule in Section C. below.
 - (1) The school district has ordered and received supplies and has paid the vendor. The school district may request reimbursement.
 - (2) The school district has ordered and received equipment but has not yet paid the vendor. The school district expects payment to be made on the last day of the month, following the monthly Board meeting. The school district may request reimbursement.
 - (3) The school district makes salary payments on the fifteenth and last day of each month. In a given month, the school district may request reimbursement for payroll expenditures actually made during the month and for the payroll scheduled for the last day of the month. The school district may not request reimbursement in anticipation of subsequent pay dates in the following month.
 - (4) The school district is responsible for payment of health benefits to its provider on a quarterly basis. The subgrantee may request reimbursement prospectively if payment to the provider will be made during the calendar month in which reimbursement is requested.



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Reimbursement of Federal and Other Grant Expenditures

- (5) The school district is responsible for reimbursing the State of New Jersey for pension and social security payments made on behalf of employees paid with Federal funds. For members of the Teachers' Pension and Annuity *Fund (TPAF)*, school districts shall reimburse the State no later than November. The request for reimbursement for pension and social security contributions for members of TPAF should be made at the time the school district will make payment to the State. For members of the Public Employees Retirement System or other State pension systems, the school district should request reimbursement at the time payments are due to the State for pension contributions and to the Internal Revenue Service for Social Security contributions. The school district should not include fringe benefit calculations in their regular salary reimbursement requests.
- c. 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.

The submission of a reimbursement request also constitutes a certification that the expenditures are allowable and appropriate to the cost objective(s) of the subgrant.
- d. Reimbursement requests must be in accordance with approved grant applications.
 - (1) 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.
 - (2) The Superintendent of Schools or designee is responsible for submitting an amendment application to the NJDOE for 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. The Superintendent of Schools or designee is responsible for monitoring the cumulative ten percent level of fiscal change.



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C. Processing Timelines

1. Reimbursement requests may be submitted at any time after the subgrant has received final NJDOE approval. No more than one reimbursement request may be submitted per month for any one subgrant. Reimbursement may be made for expenditures that have already occurred or will occur by the last calendar day of the month in which the request is submitted.
2. 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.

D. Content of Reimbursement Requests

1. Reimbursement requests must contain a brief description of the expenditures for which reimbursement is being requested. Individual line items need not be detailed.
 - a. Example -- \$8,750 is being requested in the 100 function code. The description is "salaries and instructional supplies."
2. Expenditures must be supported by documentation at the school district level. This documentation should not be submitted to the NJZDOE 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.
3. 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.



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- E. Review and Approval of Reimbursement Requests
1. NJDOE staff will review reimbursement requests to determine that they meet the subgrant's criteria, including but not limited to the following:
 - a. Adequate description of the expenditures is provided;
 - b. No new budget category has been created; and
 - c. The reimbursement request does not exceed the allowable threshold for an amendment as a result of cumulative transfers among expenditure categories.
 2. When a reimbursement request is approved or denied, the school district will receive an email notification through the EWEG system.
 3. Approval of a reimbursement request by NJDOE does not imply approval of the expenditures as allowable or appropriate to the subgrant's cost objectives. Approval of expenditures will continue to be processed through the final report. The School Business Administrator/Board Secretary 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.

Issued: 9 November 2010



6113 - E-RATE

The Telecommunications Act of 1996 provides for a Federal funded program called the Universal Service Fund (USF) or E-Rate that is designed to provide affordable access to telecommunications services for all eligible schools and libraries in the United States. The program provides discounts on telecommunications services, Internet access and internal connections, and provides discounts of up to ninety percent to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access. The purpose of this Policy is to provide guidance and direction so the East Orange School District can participate in the E-Rate program and this Policy assigns E-Rate responsibilities to school staff members to ensure the school district is in compliance with Federal Communications Commission and E-Rate participation requirements.

Full access to telecommunications and information resources makes possible the rich teaching and learning that take place in schools and libraries. For these institutions to provide the high level of service necessary for their students and patrons to participate fully in American society, the costs can be great. Telecommunications and Internet access, the hardware needed for assembling local networks, and maintenance of systems and machines can stretch budgets that are already under stress.

Universal Service Administrative Company (USAC) is responsible for processing applications for support, confirming eligibility, and reimbursing telecommunications companies and Internet access providers for discounted services delivered to eligible schools and libraries. USAC reviews applications, invoices, and other program information to ensure that applicants and service providers follow rules for the program set by the Federal Communications Commission (FCC). USAC also conducts Schools and Libraries Program beneficiary audits to ensure program compliance.

Eligible participants include public and most non-profit Kindergarten through grade twelve schools as well as all public and many private libraries. All program participants must carry out a competitive bidding process to select the most cost-effective companies to provide the goods and/or services requested.

Once eligible school districts complete the competitive bidding process, applicants submit to USAC all information required to demonstrate compliance with the rules required for receiving support. After approving applications, USAC notifies applicants of a commitment to fund the acquisition of services. When applicants start receiving services, USAC makes payments to the companies selected to provide those services.

Funding may be requested under five categories of service: Telecommunications, Telecommunications Services, Internet Access, Internal Connections, and Basic Maintenance of Internal Connections. Discounts for support depend on the level of poverty and the urban/rural status of the population served and range from twenty percent to ninety percent of the costs of eligible services.



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Eligible participants include public and most non-profit Kindergarten through grade twelve schools as well as all public and many private libraries. Guidance on the eligibility requirements to participate in the E-Rate Program is available on the USAC website at www.usac.org.

This Policy provides the steps to be used by this school district to receive E-Rate discounts.

Technology Plan

A Technology Plan is a plan prepared by the school district that explains how telecommunications and information technology will be used to achieve educational goals, curriculum reforms, or library service improvements. School districts applying for Priority 2 services (Internal Connections and Basic Maintenance) must prepare a technology plan.

In general, Technology Plans should not cover more than three years. Technology Plans should be written (at least in draft form) before an FCC Form 470 is posted to the USAC website in order to support the requests for services featured on that form, cover all twelve months of the funding year, and be approved by a USAC certified Technology Plan Approver (TPA) before an FCC Form 486 is filed and before services start.

Technology Plans must, at a minimum, contain: clear goals and a realistic strategy for using telecommunications and information technology to improve education or library services; a professional development strategy to ensure that members of the staff know how to use these new technologies to improve education or library services; a needs assessment of the telecommunication services, hardware, software, and other services that will be needed to improve education or library services; and an evaluation process that enables the school district to monitor progress toward the specified goals and make mid-course corrections in response to new developments and opportunities as they arise.

In order to be eligible for E-Rate funding, the school district must have its Technology Plan approved for E-Rate use by the New Jersey Department of Education.

The Sr. Network Manager shall be responsible for developing the school district's technology plans and submitting the plans for approval to the New Jersey Department of Education. The district's procedure for developing the technology plan is coordination between the Educational Technology Supervisor and the IT Department head to ensure all relevant devices; pedagogy, strategies, and services are included in the technology plan and is submitted and approved by the New Jersey department of education.

Competitive Bidding Process



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A competitive bidding process is a formal process to identify and request the products and services a school district needs so potential service providers can review these requests and submit bids. To open the process, the school district must post an FCC Form 470 to the USAC website and, if the school district chooses to or if required by the New Jersey Public School Contracts Law, N.J.S.A. 8A:18A-1 et seq., issue a Request for Proposals or prepare bid specifications.

The school district will determine eligible E-Rate funding products and services based on the needs as outlined in the school district's approved New Jersey Department of Education Technology Plan or as identified by the Superintendent, in consultation with school district administrative and technology staff members.

The entity that will run the competitive bidding process (which may be the school district, a State procurement agency, or another entity that the district has authorized to negotiate on its behalf with a Letter of Agency (LOA) or similar document) must file the FCC Form 470 (Description of Services Requested and Certification) and must be prepared to receive and evaluate bids and negotiate with service providers.

The FCC Form 470 for the upcoming funding year is generally available online on the USAC website a year before the start of the funding year. FCC Form 470 can be filed for a particular funding year as soon as it becomes available online. The entity filing the FCC Form 470 must wait at least twenty-eight days after the date that the FCC Form 470 is posted and the date the RFP is issued, whichever is later, before closing the competitive bidding process. Services provided under tariff or on a month-to-month basis require an FCC Form 470 to be posted each year. If, however, a multi-year contract results from the competitive bidding process, it is not necessary to post a new FCC Form 470 until a new contract is required.

After the FCC Form 470 is posted to the USAC website, USAC will issue an FCC Form 470 Receipt Notification Letter (RNL). This letter includes much of the information featured on the form, provides a means to correct certain errors, and discusses the next steps in the application process. The Official USAC District Contract will review the RNL to ensure the products and services included in the RNL are accurate and will notify USAC within fifteen days of the postmark date of the RNL if there are any required revisions. If an unallowable correction on the Form 470 is identified, the district must post and certify a new Form 470 within the filing window. A new Form 470 must be posted at least twenty-eight days prior to signing a contract or selecting a service provider.

The entity filing an FCC Form 470 can issue a Request for Proposals (RFP) in addition to the FCC Form 470. For the purposes of this Policy, an RFP is a formal bidding document that describes the project and requested services in sufficient detail so that potential bidders understand the scope, location, and any other requirements. The district's formal bidding documents must indicate the district will accept bids on equal and/or equivalent goods or services. The district is not required to issue an RFP unless the State or local procurement rules or regulations require the district to do so. If the district issued or intends to issue an



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RFP, that information must be included on the FCC Form 470 along with information on how to obtain a copy of the RFP.

The entity filing the FCC Form 470 must ensure the competitive bidding process is open and fair. All bidders must be treated the same and no bidder can have advance knowledge of the project information. There shall be no secrets in the bidding process, such as information shared with one bidder but not with others. All bidders shall know what is required of them.

Service providers and potential service providers cannot offer or provide gifts to applicants and no school district employee or official shall solicit or accept a gift of any value from a service provider or potential service provider. These prohibitions are in effect during the entire funding year. In addition, the value of free services (e.g., price reductions, promotional offers, "free" products) must generally be deducted from the pre-discount cost of funding requests.

The competitive bidding process and the FCC 470 RNL process shall be coordinated and supervised by the Purchasing Agent. The district's purchasing agent in conjunction with the E-rate consultant shall post the form 470 and allow service providers to answer requests. All relevant information shall be provided in regards to the scope of services requested. If an RFP is determined to be needed, all relevant documents will be prepared by the Purchasing Agent and advertised in the newspaper as well as posted on the district website. All relevant information in regards to the RFP will be posted online with the 470 as well.

Selecting Service Providers

After the close of the competitive bidding process, the school district shall evaluate the bids received and choose the bid that is the most cost-effective with the price of the E-Rate eligible products and services as the primary factor. The district may consider as many factors in this evaluation as it wants, but the price of the E-Rate eligible products and services must be included as a factor and must be weighted more heavily than any other single factor. The FCC Form 470 and the Request for Proposals (RFP), if issued, must both have been publicly available for a twenty-eight day period, whichever is later, before the district can close its competitive bidding process. Any evaluation of bids shall be in accordance with the New Jersey Public School Contracts Law, N.J.S.A. 18A:18A-1 et seq. and FCC Competitive Bidding Rules.

Preparing a Bid Evaluation Matrix helps evaluate bids and also provides documentation of the process followed to select a service provider. The Bid Evaluation Matrix shall be completed by Purchasing Agent. All copies of bids (successful and unsuccessful), evaluation criteria, vendor contact information, and the signed contract shall be retained in accordance with the document retention guidance outlined in this Policy. The district can receive services:



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1. Under tariff or on a month-to-month basis- Services such as basic telephone service or Internet access may not require a contract. The district must post an FCC Form 470 and open a competitive bidding process for these services each year.
2. Under a contract - Tariffed or month-to-month services provided under a contract are considered to be contracted services. Also, internal connections and basic maintenance products and services are generally provided under a contract. If the district posts an FCC Form 470 and signs a multi-year contract resulting from that posting, the district does not have to post an FCC Form 470 or open a competitive bidding process again for the life of that contract.

If the district intends to receive services under contract, the contract must have been preceded by the filing of an FCC Form 470 (NOTE: If the district has an existing contract that was not signed as a result of posting an FCC Form 470, the district can post an FCC Form 470 for the next funding year and consider its existing contract as a bid response. The district must evaluate any other bids received as well, as the district's existing contract may not be the most cost- effective solution.). The entity that filed the FCC Form 470 must also have followed the Schools and Libraries Program's competitive bidding rules and all applicable State and local contract and procurement rules and regulations.

The Board shall approve all contracts for products or services if the products or services were bid in accordance with N.J.S.A. 18A:18A-1 et seq., where an RFP was used to obtain proposals, or any contract to be awarded in excess of \$36,000.

The district may sign a contract, which may be for one or more years and may include the option of voluntary extensions. If the district is eligible, it can purchase services from a State master contract; however, the district must file their own FCC Form 470 and use the State master contract pricing as a bid to consider in evaluating all potential bids. If the district is eligible to purchase from a State master contract, but that contract will expire before or during the upcoming funding year, the district and the State of New Jersey should follow the guidance for State replacement contracts (See State Master Contracts section on USAC website at www.usac.org).

The evaluation of bids and the selection of service providers or recommending service providers to the Board of Education, if required, shall be the responsibility of the Purchasing Agent. The purchasing agent shall review all submitted bids, in consultation with the School Business Administrator and IT Department head to provide the best services and to ensure that all requirements were met. All relevant contracts shall be signed by the School Business Administrator.

Applying for Discounts



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To apply for Schools and Libraries Program discounts, the district must file an FCC Form 471 to provide USAC with information about the services being requested and the eligible discount(s). USAC will review the request, may ask for additional information, and will then issue a funding decision.

All contracts, if contracts are required, must be signed and dated before the FCC Form 471 is submitted to USAC.

The FCC Form 471 must be filed during a specific application window each year. In general, the application filing window opens about six months before the start of the funding year and is open for about two and a half months. All applications received or postmarked before the close of the filing window are considered as having arrived on the same day, and have priority over those submitted after the filing window has closed. The specific opening and closing dates of the filing window are published in advance on the USAC website.

After the FCC Form 471 is certified online or on paper, USAC will issue an FCC Form 471 Receipt Acknowledgment Letter (RAL). The RAL shall be reviewed by the Official USAC District Contract within twenty calendar days of the school district's receipt of the RAL. This letter includes much of the information featured on the form, provides a means to correct certain errors, and discusses the next steps in the application process. The information the district must provide on the FCC Form 471 includes the following:

1. Entity numbers (also called Billed Entity Numbers (BENs)) for all entities receiving service (recipients of service), together with specific information for each entity (Block 4 of the form).
2. NCES and/or FSCS codes for entities receiving service (Block 4).
3. Information on telephone and Internet access connections and speeds (Block 2).

For each funding request (a service or set of services specific to both a category of service and a service provider) the district must also provide:

1. Student counts to use for calculating discounts - the total number of students and the total number of students eligible for the National School Lunch Program (NSLP) as determined by the New Jersey Department of Education.

The FCC also sanctions other mechanisms to determine a school's or district's level of need, as long as those mechanisms are based on - or do not exceed - the same measure of poverty used by NSLP.



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The School Business Administrator will verify the student data used to calculate discounts in accordance with the eligibility requirements of the National School Lunch Program and the New Jersey Department of Agriculture.

2. Specific information on each service or set of services the district is requesting, including:
 - a. Name and Service Provider Identification Number (SPIN) of the service provider;
 - b. Cost of the service;
 - c. Contract number and other contract details (if there is a contract);
 - d. Start and end dates of service;
 - e. Worksheet(s) identifying the entity or set of entities receiving each service; and
 - f. A detailed description of products and services, referred to as an Item 21 attachment. These products and services shall be reviewed by the Official USAC District Contract to ensure they are eligible for E-Rate funding according to the current Eligible Service List as published on the USAC website.

The district's certified FCC Form 471 and Item 21 attachment(s) are due on or before the close of the application filing window.

The school district is only able to receive support for internal connections in two of every five funding years. This applies to individual recipients (individual schools, libraries, or non-instructional facilities). For each eligible entity, the five-year period begins in any year in which that entity receives support for internal connections. Entities can use two years within any five-year period, looking back and looking forward from that year. FY 2007 was the first year that entities were ineligible for internal connections funding based on this rule (for entities that received funding for both FY 2005 and FY 2006 internal connections requests). USAC provides a Two-in-Five Tool that provides information on the school district's eligibility for funding of internal connections requests for multiple funding years. This rule does not apply to telecommunications and Internet access services or to basic maintenance of internal connections services categorized as Priority 2. Basic maintenance services are eligible for support each year if they are necessary to the operation of the internal connections network. The school district will be considered to have used a year if it has been specified in the FCC Form 471 Block 4 worksheet cited on one or more approved internal connections funding requests in that year.



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The Official USAC District Contract _ shall be responsible for applying for discounts from the School and Libraries Program. The district's procedures for determining and validating discounts shall be based off the National School Lunch Program of the New Jersey Department of Agriculture (NJDEA). The discounts will be determined and validated from posted data on the New Jersey Department of Education (NJDOE) and/or the NJDEA.

Application Review

After the district files an FCC Form 471 and the associated Item 21 attachment(s) within the filing window, Program Integrity Assurance (PIA) reviewers at USAC will check the information on the form for completeness and accuracy and may have additional questions for the district to answer. All applications go through an initial review and a final review, which may involve questions from PIA reviewers on one or more of the following topics:

1. Eligibility of the entities receiving service (this review. step generally occurs for entities that have not appeared on a previous application);
2. Eligibility of the services requested;
3. Discount calculations;
4. Contracts;
5. The competitive bidding process; and/or
6. Any discrepancies between the information on the funding request and the associated Item 21 attachment.

The district must indicate the preferred mode of contact on FCC Form 471 Item 6c (telephone), 6d (fax), or 6e (email). Because PIA reviewers send written questions by fax or email, they will call the district and ask for a fax number or email address if the district indicated telephone as the preferred mode of contact. The district will have fifteen days to respond to PIA questions. The district can ask for more time, if needed, but a request for additional time will add more time to the review process.

Some applications undergo additional review - Selective Review is one example - where PIA reviewers may request more detailed responses that can include:

1. Documentation of the competitive bidding and service provider (vendor) selection processes;



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2. Documentation of the district's ability to pay the non-discount share (the portion of the cost of eligible products and services not reimbursed by USAC); and/or
3. Proof the district has obtained necessary resources (i.e., hardware, software, staff training, electrical capacity, retrofitting) that are not eligible for Schools and Libraries Program discounts, but that must be in place to make effective use of the discounted services.

As part of the review process, PIA reviewers may be required to change the category of service on a Funding Request Number (FRN). If PIA reviewers discover there are ineligible services in a funding request, the district will be able to remove them or move them to a separate request to avoid denial under the thirty percent rule. After the PIA review process has been completed, USAC issues a Funding Commitment Decision Letter (FCDL) containing USAC's decisions on the district's funding requests. The district should review this letter carefully, as it contains important information both for planning the start of the receipt of services and for completing the additional steps in the application process. If the district disagrees with one or more of the decisions in the FCDL, the district can appeal to USAC or to the Federal Communications Commission (FCC).

The Official USAC District Contract shall be responsible for preparing and providing the requested documentation for the application review(s). The procedure for preparing and providing documentation for application review will be done by the official Universal Service Administrative Company (USAC) contact for the district. They will be done in conjunction with the E-Rate consultant.

Starting Services

After the district receives the Funding Commitment Decision Letter (FCDL) and the delivery of services has started, the Official USAC District Contract shall be responsible for: filing a FCC Form 486 to inform USAC that services for which the district has been approved for discounts have started and invoicing can begin; assuring the district's Technology Plan, if required, has been approved by a USAC-certified Technology Plan Approver and the district is in compliance with the Children's Internet Protection Act (CIPA), 47 CFR 54.520, or CIPA does not apply because the district's application is only for Telecommunications Services and/or Interconnected Voice over Internet Protocol (VoIP) services. CIPA requirements include an internet safety policy, a technology protection measure, a public notice hearing or meeting, the monitoring of online activities of minors, and providing education to minors on appropriate online behavior.



The Purchasing Agent shall be responsible for reviewing the originating purchase order and/or contract to ensure the products and services on the purchase order or contract have been received in the district, and the invoice from the provider is consistent with the purchase order/contract and products and services received.

In advance of the start of services, the district and its service provider(s) should have a conversation about the details of the services the district will be receiving. The district should also review the contract, if there is a contract. In addition, the district should determine whether the district or its service provider will invoice USAC for the discounted amount of the cost of the services. Under certain circumstances, advanced installation of some Priority 1 components can occur before July 1 of the funding year.

The district can file an FCC Form 486 early (before services have started) if the district:

1. Received its FCDL; and
2. Services will start in the month of July; and
3. The district can truthfully make all of the certifications in Block 4, which include compliance with the technology plan and CIPA requirements; and
4. The district is filing the form on or before July 31

NOTE: Early filing using Item 6a on the FCC Form 486 is an option if and only if services will start within the month of July of the relevant funding year, all relevant certifications in Block 4 can be accurately made, and the FCC Form 486 is postmarked on or before July 31 of the Funding Year.

The district must be in compliance with the Schools and Libraries Program's technology plan requirements and the requirements of CIPA before services start. USAC cannot pay discounts on services received during a period of time when the district was not in compliance. USAC may review the district's compliance with these requirements either before or after the district's FCC Form 486 is processed.

The FCC Form 486 must be certified no later than one hundred twenty days after the service start date or one hundred twenty days after the date of the FCDL, whichever is later. Filing late can result in a reduction in funding; the later the filing date, the greater the reduction.

After USAC completes the processing of the district's FCC Form 486, USAC will issue an FCC Form 486 Notification Letter. This letter features the information the district provided on the form and outlines the next steps in the application process. If USAC was required to adjust the service start date for a funding request due to a compliance issue, the service start date in the letter will be marked with an asterisk and followed by an explanation of the reason for the adjustment.



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To be eligible for program support, eligible services must be received during a specific period of time related to the particular funding year for which discounts are requested. Recurring services must be delivered during the relevant funding year (July 1 through June 30). In general, non-recurring services must be delivered and installed between July 1 of the relevant funding year and September 30, following the June 30 close of that funding year (i.e., fifteen months after the beginning of the funding year). However, certain recipients have received or may receive extensions of the deadline for delivery and installation of non-recurring services. Such extensions can occur for various reasons, including:

1. A Funding Commitment Decision Letter (FCDL) was issued by USAC on or after March 1 of the funding year for which support was authorized.
2. Operational SPIN changes or service substitutions were approved by USAC on or after March 1 of the funding year.
3. The school district or service provider requested an extension because the service provider was unable to complete delivery and installation for reasons beyond the service provider's control.
4. The school district or service provider requested an extension because the service provider has been unwilling to complete delivery and installation after USAC withheld payment for those services on a properly-submitted invoice for more than sixty days after submission of the invoice.

USAC will automatically extend the service delivery deadline in situations where criteria (1) or (2) listed above are met. Recipients of non-recurring services that wish to satisfy criterion (3) must submit documentation to USAC on or before September 30 following the close of the funding year. A recipient of service that meets criterion (4) must certify to USAC on or before September 30 following the close of the funding year that its service provider was unwilling to deliver or install non-recurring services before the expiration of the deadline after USAC had withheld payment for those services on a properly submitted invoice for more than sixty days after the submission of the invoice.

The Official USAC District Contract shall be responsible to coordinate the filing of the FCC Form 486. The coordination and filing of the 486 will be done by the official USAC contact for the district in conjunction with the E-Rate consultant.

Invoicing

After USAC has processed the district's FCC Form 486, the district or its service provider can begin the process of invoicing USAC for the discount share of the approved eligible services. The Official USAC District Contract, in consultation with the school business office staff member responsible for authorizing the payment of invoices, shall be responsible for reviewing the originating purchase order and/or contract, the products or services on the



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purchase order or contract has been received by district, and the invoice from the service provider is consistent with the purchase order or contract. The Official USAC District Contract shall only submit reimbursement requests to USAC for eligible products and services once the district's non-discounted portion is paid.

There are two methods that can be used to invoice USAC. Once USAC has processed an invoice for a funding request, that method of invoicing must be used for that particular funding request for the remainder of the invoicing process.

1. Invoice Method #1

Applicants file FCC Form 472, Billed Entity Applicant Reimbursement (BEAR) Form if the district paid the service provider in full for the services and want to be reimbursed for the discount amount. The service provider must approve the form before it is submitted to USAC. USAC will review the invoice and process a payment to the service provider if payment is approved.

The service provider then passes the reimbursement on to the applicant.

2. Invoice Method #2

Service providers file FCC Form 474, Service Provider Invoice (SPI) Form if they have provided discounted bills to their customer and want to be reimbursed for the discount amount.

Under both invoice methods, USAC will review the invoice and process a payment to the service provider if payment is approved. Applicants are required to pay the non-discount portion of the cost of the services.

The district can file a BEAR Form after all of the following have occurred:

1. The district received a Funding Commitment Decision Letter (FCDL); and
2. The district has filed, and USAC has processed, an FCC Form 486; and
3. The district's service provider has filed an FCC Form 473, Service Provider Annual Certification (SPAC) Form (disbursements cannot be made until the SPAC has been filed with USAC); and
4. The district paid for the service in full; and
5. In general, the services must have been delivered (an exception can be made for progress payments specified in a contract).



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The district must file, and the service provider must approve, BEAR Forms no later than one hundred twenty days after the last day to receive service or one hundred twenty days after the FCC Form 486 Notification Letter date, whichever is later. If the deadline is missed the district can request an invoice deadline extension.

After processing the district's BEAR Form, USAC will issue a BEAR Notification Letter with information about the processing of the district's form. If the district needs more information about a reduction or denial of payment, the district should refer to the invoice error code(s) featured on the letter.

After the end of each calendar quarter, USAC issues a Quarterly Disbursement Report that details all invoicing activity, BEAR Forms, and SPI Forms processed during that quarter for all funding years. This report allows the district to track all of the invoicing activity related to the district's Billed Entity Number (BEN). The district can initiate an invoice check if it would like to be notified each time the district's service provider submits a SPI Form.

The Official USAC District Contract shall be responsible to ensure that all eligible E-Rate goods and services have been received, the service provider invoices are correct and the district's non-discounted portion of the invoice has been paid before submitting invoices to USAC. The Official USAC District Contract shall review the eligible reimbursements that are made to any service provider to ensure the amounts being billed to USAC and the school district equal 100% of the invoiced amount. The Official USAC District Contract will notify USAC and the provider in the event there are any problems with this reconciliation. All payments, reimbursements and invoicing shall be reviewed by the official USAC district contact and the IT department head to ensure that it is the correct amount, in conjunction with the E-Rate consultant.

Annual Policy Review

The Official USAC District Contract shall be responsible to ensure this Policy is reviewed annually and make recommendation for any revisions to this Policy as needed.

Document Retention

All documents related to the E-rate Program, including but not limited to, the application process, the competitive bidding/vender selection process, and the invoicing process shall be retained for at least five years after the last date of service delivered for a particular funding year or in accordance with the New Jersey Division of Archives and Records Management Schedules of Record Retention, whichever is longer.

Adopted: 7 May 2013



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: 11 August 2009



6150 TUITION INCOME

The Board of Education will charge and assess tuition for students attending this school district that are not entitled to receive a free public education in this district or from a student's sending district for the student attending this school district as provided for by State statute.

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:23A-17.1(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:23A-17.1(f).

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

The School Business Administrator/Board Secretary shall be responsible for the assessment and collection of tuition.

The Executive 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:23A-17.1(f)5.

N.J.S.A. 18A:38-3; 18A:38-19; 18A:46-21
N.J.A.C. 6A:23A-17.1(f)
N.J.A.C. 6A:14-7.8

Cross reference: Policy Guide No. 5111

Adopted: 11 August 2009
Adopted: 10 May 2011



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Grants from Private Sources

6160 GRANTS FROM PRIVATE SOURCES

The Board shall seek as many sources of revenue as possible to supplement the funds provided by local taxation and the basic aid offered by the State.

A grants management staff member shall be given outside sources of funds federal, State and philanthropic. He/she shall serve as a resource person for the district. Other administrators shall be given responsibility for appropriate generation of income within their particular areas of responsibility.

Adopted: 11 August 2009



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R 6160 GRANTS FROM PRIVATE SOURCES

The Board of Education encourages and will accept funding from private sources, in accordance with Policy No. 6160. The following regulations govern the development and processing of private funding proposals.

A. Sources

1. A grants management staff member shall research sources of private funding through individuals and foundations. He/She shall prepare a list of appropriate funding sources in the community and state.
2. All school district employees are encouraged to be alert to possibilities for private resources for school aid, financial and in-kind, from community members and organizations. Any such possibility should be reported to the grants management staff member, who will explore the potential for aid with the employee and, as appropriate, the private resource.
3. The grants management staff member will visit the directors of foundations interested in educational progress and research to explore areas of mutual interest. He/She will determine whether the foundation will support specific program grants, graduate work for teaching staff members, the construction and/or improvement of school facilities, professional growth activities, arts education, community education, community and school liaison activities, and so forth.
4. The grants management staff member, in consultation with the Superintendent, will identify specific district needs and formulate proposals for funding that meet those needs.

B. Approval

Any proposal for private funding must be submitted to the Superintendent before it is formally submitted to the Board of Education for approval. The rationale for the proposal must set forth the objectives for the funding, the proposed program statement, and the means by which the objectives will be evaluated.

Issued: 11 August 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 offer 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, students, 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 student 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.



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Corporate Sponsorships

Board Approval of Corporate Sponsorship Activities

All corporate sponsorship proposals must be approved by the Board.

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.

Duration of Corporate Sponsorship Activities

A corporate sponsorship shall not exceed twelve months in duration and will not be approved by the Board in excess of twelve months. At the conclusion of this approved period, and if the sponsor desires to continue the sponsorship, an updated sponsorship proposal must be prepared by the sponsor and submitted to the Superintendent for approval by the Board for another twelve month period. There shall be no expectation a corporate sponsorship will be renewed beyond the Board approval dates. There shall be no limit to the number of times the Board approves the updated sponsorship proposal.

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: 11 August 2009



6163 ADVERTISING ON SCHOOL PROPERTY

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 authorizes advertising on school property consistent with applicable State and local laws, codes, and ordinances. "School property" for the purposes of this Policy includes, but is not limited to: school district owned real estate; school district owned or leased buildings; school district owned or leased vehicles, excluding school buses; school district electronic communication medium including the school district's website, school district electronic communications, school district television, and media productions; school district sponsored content on mass media outlets; and any other method of electronic or print communications published or used by the school district.

The Board of Education may enter into a contract for the sale of

Select one or more of the following options

- signage on school district property which may also include, but is not limited to, areas in and around athletic fields and grounds, on fences, on school vehicles, and in and on school buildings;
- advertising space in school district publications and print media;
- advertising space on the school district's website; and
- advertisements to be included in school district productions and programs that are aired on media outlets such as television stations, internet, radio, etc.

The New Jersey Public School Contracts Law, N.J.S.A. 18A:18A-1 et seq., shall apply to any contract or agreement entered into by the Board for the purpose of advertising on school property. The Board will award a contract for advertising on school property after advertising for bids and bidding in accordance with the provisions of N.J.S.A. 18A:18A-4 or through the use of requests for proposals and competitive contracting in accordance with the provisions of N.J.S.A. 18A:18A-4.1 through N.J.S.A. 18A:18A-4.5. The Board may award advertising contracts that are under the bid threshold in accordance with the provisions of N.J.S.A. 18A:18A-1 et seq. All contracts for advertising on school property must be approved by the Board.



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Advertising on School Property

All bid specifications shall be in accordance with the provisions of N.J.S.A. 18A:18A-4 and all requests for proposals shall be in accordance with the provisions of N.J.S.A. 18A:18A-4.4 and shall be approved by the Board prior to advertising for bids or providing a request for proposals to potential vendors.

The bid specifications or requests for proposals for advertising on school property will include detailed requirements regarding advertising opportunities on school property.

Limitations on the content of advertisements on school property shall be consistent with the limitation provisions of N.J.A.C. 6A:27-7.11 - Limitations on Content of Advertisement on School Buses. The Board will not approve specifications or award an advertisement on school property contract if the advertisement or information contained in the advertisement:

1. Is false, misleading, deceptive, disrespectful, fraudulent, or libelous;
2. Contains material or language that is obscene, profane, vulgar, offensive, or reasonably determined not to be in good taste;
3. Promotes unlawful or illegal goods, services, or activities;
4. Promotes gambling, the sale or use of tobacco or tobacco-related products, or the sale or use of alcoholic beverages;
5. Promotes the sale or use of products designed for use in connection with sexual activity;
6. Depicts or glamorizes violent or antisocial behavior, or sexual conduct;
7. Declares or implies an endorsement by the Board of Education; or
8. Is political, religious, issue-related, controversial in nature, or not age appropriate.

The Board of Education will not allow any advertising on school property to become a public forum for dissemination, debate, or discussion of public issues. The Board has the authority to reject any and all bids or proposals for advertising on school property that it deems to be inappropriate or not in the best interest of the Board of Education, the school district, or students.



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Advertising on School Property

An advertiser will be considered an independent contractor and shall not be deemed to be an agent, servant, employee, or representative of the Board. In the event an advertiser fails to provide service in accordance with the bid specifications and contract for advertisements, the advertiser shall be considered in breach of contract. Cancellation of the advertisement and/or enforcement of advertiser's performance bond may result.

The Board reserves the right, at its discretion and at any time, to reject any advertising copy, whether or not it has previously acknowledged and/or advertised the exact or similar copy. No advertising space may be used or re-sold by the advertiser for the promotion, either directly or indirectly, of any business, organization, or enterprise other than the one defined in the original contract for advertisement.

The advertiser will protect, defend, and save harmless the Board of Education from any suits or actions of every nature and description brought against it by reason of the advertisement.

N.J.S.A. 18A:18A-1 et seq.; 18A:18A-4; 18A:18A-4.1;

18A:18A-4.2; 18A:18A-4.3; 18A:18A-4.4

N.J.A.C. 6A:27-10; 6A:27-11; 6A:27-12

Adopted: 12 March 2013



6164 ADVERTISING ON SCHOOL BUSES

The Board of Education authorizes the sale of advertising space on the exterior of school buses that are owned or leased by the Board in accordance with the provisions of N.J.S.A. 18A:39-31 and N.J.A.C. 6A:27-7.10, 7.11, and 7.12.

The Public School Contracts Law, N.J.S.A. 18A:18A-1 et seq., shall apply to any contract or agreement entered into by the Board for the purpose of placing advertisements on school buses.

All advertisements shall require the prior approval of the Board of Education. The advertiser will be considered an independent contractor and shall not be deemed to be an agent, servant, employee, or representative of the Board. In the event the advertiser fails to provide service in accordance with the bid specifications and contract for advertisements, the advertiser shall be considered in breach of contract. Cancellation of the advertisement and/or enforcement of advertiser's performance bond may result.

The Board of Education reserves the right, at its direction and at any time, to reject any advertising copy, whether or not it has previously acknowledged and/or advertised the exact or similar copy. No advertising space may be used or re-sold by the advertiser for the promotion, either directly or indirectly, of any business, organization, or enterprise other than the one defined in the original contract for advertisement. The advertiser will protect, defend, and save harmless the Board of Education from any suits or actions of every nature and description brought against it by reason of the advertisement.

Fifty percent of the funds generated from the placement of advertisements on the outside of school buses shall be used to offset fuel costs associated with the provision of student transportation services and fifty percent shall be used to support any programs or services deemed appropriate by the Board.

The Board of Education will approve the specifications for advertisements on school buses that will include: advertisement material, including paint, decals, or magnetic material; approved advertisement colors; advertisement mounting procedures, if applicable; location of advertisements on school buses; advertisement size(s); duration of advertisement contracts; and any other specifications for advertisements the Board deems appropriate. All advertisements shall be in accordance with New Jersey Motor Vehicle Commission (NJMVC) regulations and shall not prevent the school bus from passing the NJMVC required inspections for school buses.

In accordance with the provision of N.J.A.C. 6A:27-7.11, the Board will not accept advertisements to be displayed or maintained on school buses if the advertisement or information contained in the advertisement:



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Advertising on School Buses

1. Is false, misleading, deceptive, disrespectful, fraudulent, or libelous;
2. Contains material or language that is obscene, profane, vulgar, offensive, or reasonably determined not to be in good taste;
3. Promotes unlawful or illegal goods, services, or activities;
4. Promotes gambling, the sale or use of tobacco or tobacco-related products, or the sale or use of alcoholic beverages;
5. Promotes the sale or use of products designed for use in connection with sexual activity;
6. Depicts or glamorizes violent or antisocial behavior, or sexual conduct;
7. Resembles a traffic control device;
8. Declares or implies an endorsement by the Board of Education; or
9. Is political, religious, issue-related, controversial in nature, or not age appropriate.

The Board of Education will not allow any of its school buses to become a public forum for dissemination, debate or discussion of public issues. The Board has the authority to reject any and all advertising that deems to be inappropriate or not in the best interest of the Board of Education, the school district, or students.

A Board of Education that permits advertisements on school buses shall submit a report to the Commissioner of Education no later than June 30 each year. The report shall include the number of district-owned school buses upon which advertising has been placed, the length of time the advertisements have been on the school buses; and the total revenue earned by the school district as a result of the advertisements.

N.J.S.A. 18A:39-31

N.J.A.C. 6A:27-7.10; 6A:27-7.11; 6A:27-7.12

Adopted: 11 September 2012



6210 FISCAL PLANNING

The Board of Education shall collect and assemble the information necessary to discharge its responsibility for the fiscal management of the school district and to plan for the financial needs of the educational program. The Board will strive toward maintaining both short and long range perspectives of district financial requirements.

Accordingly, the Board directs the School Business Administrator/Board Secretary to include cost estimates in all ongoing district studies of the educational program, to prepare a long range year-by-year plan for the maintenance and replacement of facilities and equipment, to forecast an estimated expenditure budget for one year in the future, to maintain a plan of anticipated state and federal revenues, to meet periodically with the municipal governing board to review planned expenditures and the joint effect of school and community costs on tax rates, and to report to the Board any serious financial forecast that emerges from the district's fiscal planning.

Adopted: 11 August 2009



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Fiscal Planning

R 6210 FISCAL PLANNING

The School Business Administrator/Board Secretary shall implement Policy No. 6210 by preparing a long-range fiscal plan. The plan shall take the form of a chart or spread sheet on which all estimated costs and revenues are plotted for the period of one year beyond the current fiscal year.

A. Future Costs

Future costs will be estimated on the basis of:

1. Cost studies and estimates for the maintenance and development of educational programs;
2. Costs of facilities and equipment maintenance and replacement;
3. Fixed charges (such as interest payments on bonds and redemption of bonds on schedule, lease payments, fixed payments on multi-year contracts);
4. Costs of employee wages and benefits in presently negotiated contracts (both collective and individual);
5. Projections of the cost of successor employee contracts, including the effect of pending graduate studies on the wages of teaching staff members;
6. Effects of projected student populations on capital requirements;
7. Effects of projected student populations on staffing requirements (by necessitating additional staff or a reduction in force);
8. Costs of pending contracts with variable obligations (such as sending-receiving, transportation);
9. Costs of projected operation changes (such as subcontracting custodial services or a change in the delivery of food services);
10. Projected tuition needs for students sent out of district; and
11. Costs of contracts for professional services (such as school medical inspector, school attorney, and auditor).



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Fiscal Planning

B. Future Revenues

Future revenues will be plotted on the basis of:

1. Anticipated state and federal aid;
2. Projected income from local property tax revenues;
3. Present grants in aid from state, federal, and/or private sources; and
4. Anticipated revenues from pending or future grant proposals.

C. Report

The School Business Administrator/Board Secretary will confer with the Superintendent on the district long-range fiscal plan. Any financial forecast that warns of serious future deficits, over expenditures, or reduction in revenues shall be reported promptly.

Issued: 11 August 2009



6220 BUDGET PREPARATION

The annual budget is the financial 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 and to maintain the facilities and honor the obligations of the district.

A proposal 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 for community input 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 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 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.



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Budget Preparation

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 General 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. 6:20-2A.8.1 et seq.; 6A:23A-16.1 et. seq.

Adopted: 11 August 2009
Adopted: 10 May 2011



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Budget Preparation

R 6220 **BUDGET PREPARATION**

Each year prior to budget time, all administrators in the district shall receive two copies of a budget workbook, if necessary to expedite and simplify their budget planning responsibilities.

The workbooks shall provide directions and forms for submitting the annual budget for the school or department.

Amounts should be requested in categories where administrators and their staff members feel that genuine need exists. Administrators are urged to be creative, realistic, and conservative (wise users of money) when planning budgetary needs with the staff.

All budget workbooks, as well as other specified budgetary materials, must be turned in on the dates given on the budget calendar. One copy is to be returned to the Superintendent; the other is to be kept in the school/department office for budget discussions and for planning purposes.

The total amount requested by an administrator must and will be considered in the light of the total requirements for the school system for the ensuing fiscal school Year.

Budget Calendar

The district's budget calendar shall present a plan of action for estimating and completing preparation of the annual budget in a fixed period of time.

The calendar shall be used as a tool for identifying required budgetary activities and for identifying when and by whom these activities are to be performed.

The calendar shall also be used as guide for (1) coordinating the budgetary activities of individuals and groups; (2) collecting budget data; (3) reviewing budget problems; and (4) making budget decisions.

The budget calendar shall include adequate time for:

1. Principals to involve the staff and public of their individual schools, including students at the secondary level, in setting priorities and to submit a budget proposal to the Superintendent and School Business Administrator/Board Secretary;
2. The Superintendent and School Business Administrator/Board Secretary to weigh budget proposals of individual schools and submit tentative budget for Board/public consideration;



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Budget Preparation

3. The Board to approve the budget by resolution (either all at once or in sections);
4. Budget to be submitted to the County Superintendent office and thence to the Board of School Estimate;
5. Appeals to be made to the Commissioner of Education.

Issued: 11 August 2009



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.

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: 11 August 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 School Business Administrator/Board Secretary 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, 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: 10 May 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.



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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.

Adopted: 11 August 2009



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Purchases Subject to Bid

R 6320 PURCHASES SUBJECT TO BID

A. Definitions

1. "Purchasing agent" means the School Business Administrator/Board Secretary or the Business Manager of the Board of Education duly assigned the authority, responsibility and accountability for the purchasing activity of the Board and having the power to prepare advertisements, to advertise for and receive bids and to award contracts as permitted by this chapter, but if there be no School Business Administrator/Board Secretary or Business Manager, such officer, committees or employees to whom such power has been delegated by the Board.
2. "Aggregate" means the sums expended or to be expended for the provision or performance of any goods or services in connection with the same immediate purpose or task, or the furnishing of similar goods or services, during the same contract year through a contract awarded by a purchasing agent.
3. "Bid threshold" means the dollar amount set in N.J.S.A. 18A:18A-3, above which a Board shall advertise for and receive sealed bids in accordance with procedures set forth in N.J.S.A. 18A:18A-1 et seq.
4. "Contract year" means the period of twelve consecutive months following the award of a contract.
5. "Goods and services" or "goods or services" means any work, labor, commodities, equipment, materials, or supplies of any tangible or intangible nature, except real property or any interest therein, provided or performed through a contract awarded by a purchasing agent, including goods and property subject to N.J.S.A. 12A:2-101 et seq.
6. "Lowest price" means the least possible amount that meets all requirements of the request of a purchasing agent.
7. "Lowest responsible bidder or vendor" means the bidder or vendor: (1) whose response to a request for bids offers the lowest price and is responsive; and (2) who is responsible.
8. "Official newspaper" means any newspaper designated by the Board pursuant to R.S.35:1-1 et seq.



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Purchases Subject to Bid

9. "Quotation" means the response to a formal or informal request made by a purchasing agent to a vendor for provision or performance of goods or services, when the aggregate cost is less than the bid threshold. Quotations may be in writing or taken verbally if a record is kept by the purchasing agent.
 10. "Responsible" means able to complete the contract in accordance with its requirements, including but not limited to requirements pertaining to experience, moral integrity, operating capacity, financial capacity, credit, and workforce, equipment, and facilities availability.
 11. "Responsive" means conforming in all material respects to the terms and conditions, specifications, legal requirements, and other provisions of the request.
 12. "Proprietary" means goods or services of a specialized nature, that may be made or marketed by a person or persons having the exclusive right to make or sell them, when the need for such goods or services has been certified in writing by the Board to be necessary for the conduct of its affairs.
 13. "Service or services" means the performance of work, or the furnishing of labor, time, or effort, or any combination thereof, not involving or connected to the delivery or ownership of a specified end product or goods or a manufacturing process. Service or services may also include an arrangement in which a vendor compensates the Board for the vendor's right to operate a concession.
- B. Solicitation of Bids
1. Bids will be solicited by advertisements placed by the School Business Administrator/Board Secretary in strict compliance with N.J.S.A. 18A:18A-21 and Policy No. 6320. Any advertisements placed without the prior approval of the Board will be reported to the Board at its next meeting.
 2. Each specification will offer a clearly stated, common standard of competition and will assert the Board's right to accept reasonable equivalents and to reject all bids in accordance with N.J.S.A. 18A:18A-22 and to readvertise. Each specification will also include the Board's right to disqualify a bidder in accordance with N.J.S.A. 18A:18A-4 et seq. Bid specifications will not be proprietary as to exclude bidders without the opportunity to provide equivalent goods and/or services.
 3. The School Business Administrator/Board Secretary will maintain a copy of each bid advertisement and will record the newspaper in which it was advertised and the dates on which it was published.



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Purchases Subject to Bid

C. Bid Requirements

1. Bids must be prepared on forms supplied by the school district and must be fully completed, in ink or typewritten, and signed by the bidder. Oral revisions will not be accepted.
2. Bid prices must include delivery to the point of use, unpacking when required, and installation when required. As necessary, bidders may be required to provide instruction in the use and care of equipment delivered both by demonstration and in written form.
3. Bids must include unit prices as well as the total price. In any error in extension, the unit price shall be considered the accurate figure.
4. Because the school district is exempt from the payment of sales and use taxes, all charges for taxes must be borne by the bidder.
5. The bid must note in detail any deviations from specifications. When the specifications indicate a product of a particular manufacturer, model, or brand, the bidder shall bid that particular manufacturer, model, or brand or, unless the specifications prohibit substitution, a substitute proven to be of equal or better grade. If a substitute is bid, the bid must include detailed documentation of its equivalency. Bidders may be required to submit samples of materials or products, to be retained by the Board. The Board shall determine the equivalency or acceptability of any substitute.
6. The manufacturer's written warranties and guarantees must accompany each bid. Bidders should state in writing any additional guarantees that will become a part of the bid and considered in making the award.
7. The bid shall include a delivery date or the date on which services bid upon will commence.
8. Where applicable, service facilities and convenience of service will be considered as part of the bid and should be included by the bidder. When necessary, a bidder shall submit evidence of his or her ability to provide proper installation, service, and supplies and/or indicate that the provision of the services and supplies is a regular and continuous part of the bidder's business.
9. Where necessary, the bidder shall certify that all applicable Federal and State laws, municipal ordinances, and Board policies have been obeyed in the manufacture, processing, packaging, delivery, and sale of goods and services to the school district. The bidder must declare compliance with:



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- a. Affirmative action requirements, pursuant to N.J.S.A. 18A:18A-51,
 - b. Stockholders" disclosure statement, pursuant to N.J.S.A. 18A:12-2,
 - c. Non-collusion certification, pursuant to N.J.S.A. 18A:6-8,
 - d. And all other documents so required by law and the bid specification.
10. The bidder must declare that no member of the Board or any officer or employee of the school district is directly or indirectly interested in the contract or purchase bid on.

D. Receipt of Bids

1. Bids will be received at the time and place announced and will be opened by the School Business Administrator/Board Secretary in accordance with law. All bids will be submitted in sealed envelopes clearly marked with the words "BID OPENING," the date and time of the opening, and the nature of the contract bid on.
2. Each bid will be accompanied by a deposit for bid security, which will be returned to unsuccessful bidders.
3. A written request for the withdrawal of a bid will be granted if the request is received by the School Business Administrator/Board Secretary before the scheduled time for opening bids.
4. A bidder who claims, before bids are opened, that a mistake has been made in its preparation will be allowed to withdraw the bid but will lose the right to bid.
5. A bidder who discovers a mistake or omission after bids have been opened may withdraw the erroneous bid provided the bidder 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 open bid shall forfeit any bid security deposit with the bid.

E. Award of Contract

1. Bids will be opened by the School Business Administrator/Board Secretary, in the presence of one or more witnesses, at the time and place advertised.



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2. The Board will award and sign a contract or reject all bids in accordance with N.J.S.A. 18A:18A-36 and within the time as may be specified in the invitation to bid, but in no case more than sixty days, except that the bids of any bidders who consent may, at the request of the Board, be held for consideration for such longer period as may be agreed.
 3. The Board will award the contract to the lowest responsible bidder or will reject all bids. If all bids are rejected, the Board will readvertise or purchase under a state contract.
 4. The Board reserves the right to reject any bid and may waive technical deficiencies in an otherwise acceptable bid when such waiver is in the public interest.
 5. No contract or order awarded by the Board shall be sublet or assigned without the written consent of the School Business Administrator/Board Secretary.
 6. The successful bidder may be required in the bid specifications and upon award of the contract to furnish a surety or performance bond issued by a responsible surety company authorized to transact business in New Jersey, for 100% of the total contract price, insuring faithful performance of the contract. The bond, pursuant to N.J.S.A. 18A:18A-23 and 24, shall be payable to the Board and the cost of the bond is to be included in the bid.
 7. The bidder's failure to perform his or her contract with the Board in accordance with the bid accepted by the Board or failure to meet performance bond requirements may result in forfeiture of the bidder's deposit as liquidated damages and not as a penalty.
 8. Every bidder is assumed to be acquainted with all the information necessary for the submission of an informed and responsible bid. A successful bidder will be responsible for any errors in his or her proposal resulting from the bidder's failure or neglect to obtain information and forecast costs. The Board will not be responsible for any change in anticipated profits resulting from such failure or neglect.
 9. When a contractor fails to perform the terms of the contract promptly, the Board shall give written notice of default. If the contractor fails to cure the default within the time permitted by the notice, the Board may terminate the contract and, at the expense of the contractor or the surety, complete the contract or cause the contract to be completed.
- F. Bidder Disqualification



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1. The Board may, by resolution approved by a majority of the Board, and pursuant to N.J.S.A. 18A:18A-4 disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the Board finds that it has had prior negative experience with the bidder.
 - a. As used in this section, "prior negative experience" means any of the following:
 - (1) The bidder has been found, through either court adjudication, arbitration, mediation, or other contractually stipulated alternate dispute resolution mechanism, to have: failed to provide or perform goods or services; or failed to complete the contract in a timely manner; or otherwise performed unsatisfactorily under a prior contract with the Board;
 - (2) The bidder defaulted on a contract, thereby requiring the Board to utilize the services of another contractor to provide the goods or perform the services or to correct or complete the contract;
 - (3) The bidder defaulted on a contract, thereby requiring the Board to look to the bidder's surety for completion of the contract or tender of the costs of completion; or
 - (4) The bidder is debarred or suspended from contracting with any of the agencies or departments of the executive branch of the State of New Jersey at the time of the contract award, whether or not the action was based on experience with the Board.
 - b. The following conditions apply if the Board is contemplating a disqualification based on prior negative experience:
 - (1) The existence of any of the indicators of prior negative experience set forth in this section shall not require that a bidder be disqualified. In each instance, the decision to disqualify shall be made within the discretion of the Board and shall be rendered in the best interests of the Board.
 - (2) All mitigating factors shall be considered in determining the seriousness of the prior negative experience and in deciding whether disqualification is warranted.
 - (3) The bidder shall be furnished by the Board with a written notice



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- (a) Stating that a disqualification is being considered;
 - (b) Setting forth the reason for the disqualification; and
 - (c) Indicating that the bidder shall be accorded an opportunity for a hearing before the Board if the bidder so requests within a stated period of time. At the hearing, the bidder shall show good cause why the bidder should not be disqualified by presenting documents and testimony. If the Board determines that good cause has not been shown by the bidder, it may vote to find the bidder lacking in responsibility and, thus, disqualified.
- (4) Disqualification shall be for a reasonable, defined period of time which shall not exceed five years.
- (5) A disqualification, other than a disqualification pursuant to which a Board is prohibited by law from entering into a contract with a bidder, may be voided or the period thereof may be reduced, in the discretion of the Board, upon the submission of a good faith application under oath, supported by documentary evidence, setting forth substantial and appropriate grounds for the granting of relief, such as reversal of a judgment, or actual change of ownership, management or control of the bidder.
- (6) An opportunity for a hearing need not be offered to a bidder whose disqualification is based on its suspension or debarment by an agency or department of the executive branch of the State of New Jersey. The term of such a disqualification shall be concurrent with the term of the suspension or debarment by the State agency or department.

Issued: 11 August 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: 11 August 2009



R 6340 **MULTIPLE YEAR CONTRACTS**

- A. All contracts for the provision or performance of goods or services will be awarded for a period not to exceed twenty-four consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 shall be awarded for a period not to exceed twelve consecutive months.
- B. The Board may award a contract for longer periods of time as follows:
 1. Supplying of:
 - a. Fuel for heating purposes, for any term not exceeding in the aggregate, three years;
 - b. Fuel or oil for use of automobiles, autobuses, motor vehicles or equipment, for any term not exceeding in the aggregate, three years;
 - c. Thermal energy produced by a cogeneration facility, for use for heating or air conditioning or both, for any term not exceeding forty years, when the contract is approved by the Board of Public Utilities. For the purposes of this paragraph, "cogeneration" means the simultaneous production in one facility of electric power and other forms of useful energy such as heating or process steam; or
 2. Plowing and removal of snow and ice, for any term not exceeding in the aggregate, three years; or
 3. Collection and disposal of garbage and refuse, for any term not exceeding in the aggregate, three years; or
 4. Data processing service, for any term of not more than seven years; or
 5. Insurance, including the purchase of insurance coverages, insurance consultant or administrative services, and including participation in a joint self-insurance fund, risk management program or related services provided by a school Board insurance group, or participation in an insurance fund established by a county pursuant to N.J.S.A. 40A:10-6, or a joint insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.), for any term of not more than three years; or



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Multiple Year Contracts

6. Leasing or servicing of automobiles, motor vehicles, electronic communications equipment, machinery and equipment of every nature and kind and textbooks and non-consumable instructional materials, for any term not exceeding in the aggregate, five years; provided, however, such contracts shall be awarded only subject to and in accordance with rules and regulations promulgated by the State Board of Education; or
 7. Supplying of any product or the rendering of any service by a company providing voice, data, transmission or switching services, for a term not exceeding five years; or
 8. Driver education instruction conducted by private, licensed driver education schools, for any term not exceeding in the aggregate, three years;
 9. Provision or performance of goods or services for the purpose of conserving energy in the buildings owned by any local Board of education, the entire price of which shall be established as a percentage of the resultant savings in energy costs, for a term not to exceed fifteen years; except that these contracts shall be entered into only subject to and in accordance with guidelines promulgated by the Board of Public Utilities establishing a methodology for computing energy costs;
 10. Any single project for the construction, reconstruction or rehabilitation of any public building, structure or facility, or any public works project, including the retention of the services of any architect or engineer in connection therewith, for the length of time authorized and necessary for the completion of the actual construction;
 11. Laundry service and the rental, supply and cleaning of uniforms for any term of not more than three years;
 12. Food supplies and food services for any term of not more than three years;
 13. Purchases made under a contract awarded by the Director of the Division of Purchase and Property in the Department of the Treasury for use by counties, municipalities or other contracting units pursuant to section 3 of P.L.1969, c.104 (C.52:25-16.1), for a term not to exceed the term of that contract.
- C. Any contract for services other than professional services, the statutory length of which contract is for three years or less, may include provisions for no more than one two-year, or two one-year, extensions, subject to the following limitations:



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Multiple Year Contracts

1. The contract must be awarded by resolution of the Board upon a finding by the Board that the services are being performed in an effective and efficient manner;
 2. No such contract shall be extended so that it runs for more than a total of five consecutive years;
 3. Any price change included as part of an extension shall be based upon the price of the original contract as cumulatively adjusted pursuant to any previous adjustment or extension and shall not exceed the change in the index rate for the twelve months preceding the most recent quarterly calculation available at the time the contract is renewed; and d. the terms and conditions of the contract remain substantially the same.
- D. All multiyear leases and contracts entered into pursuant to N.J.S.A. 18A:18A-42, including any two-year or one-year extensions, except contracts for insurance coverages, insurance consultant or administrative services, participation or membership in a joint self-insurance fund, risk management programs or related services of a school Board insurance group, participation in an insurance fund established by a county pursuant to N.J.S.A. 40A:10-6 or contracts for thermal energy authorized pursuant to subsection a. above, and contracts for the provision or performance of goods or services to promote energy conservation authorized pursuant to B.9. of this regulation shall contain a clause making them subject to the availability and appropriation annually of sufficient funds as may be required to meet the extended obligation, or contain an annual cancellation clause.
- E. All contracts shall cease to have effect at the end of the contracted period and shall not be extended by any mechanism or provision, unless in conformance with the "Public School Contracts Law," N.J.S.A. 18A:18A-1 et seq., except that a contract may be extended by mutual agreement of the parties to the contract when a Board of Education has commenced rebidding prior to the time the contract expires or when the awarding of a contract is pending at the time the contract expires.

Issued: 11 August 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 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



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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: 11 August 2009



R 6350 COMPETITIVE CONTRACTING

A. Definitions

1. "Purchasing agent" means the School Business Administrator/Board Secretary or the Business Manager of the Board of Education duly assigned the authority, responsibility and accountability for the purchasing activity of the Board and having the power to prepare advertisements, to advertise for and receive bids and to award contracts as permitted by this chapter, but if there be no School Business Administrator/Board Secretary or Business Manager, such officer, committees or employees to whom such power has been delegated by the Board.
2. "Extraordinary unspecifiable services" means services which are specialized and qualitative in nature requiring expertise, extensive training and proven reputation in the field of endeavor.
3. "Professional services" means services rendered or performed by a person authorized by law to practice a recognized profession and whose practice is regulated by law and the performance of which services requires knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship and training. Professional services may also mean services rendered in the provision or performance of goods or services that are original and creative in character in a recognized field of artistic endeavor.
4. "Aggregate" means the sums expended or to be expended for the provision or performance of any goods or services in connection with the same immediate purpose or task, or the furnishing of similar goods or services, during the same contract year through a contract awarded by a purchasing agent.
5. "Bid threshold" means the dollar amount set in N.J.S.A. 18A:18A-3, above which a Board will advertise for and receive sealed bids in accordance with procedures set forth in N.J.S.A. 18A:18A-1 et seq.
6. "Contract year" means the period of twelve consecutive months following the award of a contract.
7. "Competitive contracting" means the method described in sections 45 through 49 of P.L.1999, c.440 (C.18A:18A-4.1 through C.18A:18A-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or



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School Business Administrator; and the Board awards a contract to a vendor or vendors from among the formal proposals received.

8. "Goods and services" or "goods or services" means any work, labor, commodities, equipment, materials, or supplies of any tangible or intangible nature, except real property or any interest therein, provided or performed through a contract awarded by a purchasing agent, including goods and property subject to N.J.S.A. 12A:2-101 et seq.
9. "Library and educational goods and services" means textbooks, copyrighted materials, student produced publications and services incidental thereto, including but not limited to books, periodicals, newspapers, documents, pamphlets, photographs, reproductions, microfilms, pictorial or graphic works, musical scores, maps, charts, globes, sound recordings, slides, films, filmstrips, video and magnetic tapes, other printed or published matter and audiovisual and other materials of a similar nature, necessary binding or rebinding of library materials, and specialized computer software used as a supplement or in lieu of textbooks or reference material.
10. "Lowest price" means the least possible amount that meets all requirements of the request of a purchasing agent.
11. "Lowest responsible bidder or vendor" means the bidder or vendor: (1) whose response to a request for bids offers the lowest price and is responsive; and (2) who is responsible.
12. "Official newspaper" means any newspaper designated by the Board pursuant to R.S.35:1-1 et seq.
13. "Purchase order" means a document issued by the purchasing agent authorizing a purchase transaction with a vendor to provide or perform goods or services to the Board, which, when fulfilled in accordance with the terms and conditions of a request of a purchasing agent and other provisions and procedures that may be established by the Board, will result in payment by the Board.
14. "Quotation" means the response to a formal or informal request made by a purchasing agent to a vendor for provision or performance of goods or services, when the aggregate cost is less than the bid threshold. Quotations may be in writing or taken verbally if a record is kept by the purchasing agent.
15. "Responsible" means able to complete the contract in accordance with its requirements, including but not limited to requirements pertaining to experience, moral integrity, operating capacity, financial capacity, credit, and workforce, equipment, and facilities availability.



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16. "Responsive" means conforming in all material respects to the terms and conditions, specifications, legal requirements, and other provisions of the request.
17. "Concession" means the granting of a license or right to act for or on behalf of the Board, or to provide a service requiring the approval or endorsement of the Board, and which may or may not involve a payment or exchange, or provision of services by or to the Board, provided that the term concession will not include vending machines.
18. "Proprietary" means goods or services of a specialized nature, that may be made or marketed by a person or persons having the exclusive right to make or sell them, when the need for such goods or services has been certified in writing by the Board to be necessary for the conduct of its affairs.
19. "Service or services" means the performance of work, or the furnishing of labor, time, or effort, or any combination thereof, not involving or connected to the delivery or ownership of a specified end product or goods or a manufacturing process. Service or services may also include an arrangement in which a vendor compensates the Board for the vendor's right to operate a concession.

B. 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, or by the School Business Administrator. The Board shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services are desired to be competitively contracted. If the desired goods or services have previously been contracted for using the competitive contracting process then the original resolution of the Board will suffice. Competitive contracting may only be used for the following purposes:

1. The purchase or licensing of proprietary computer software designed for Board purposes, which may include hardware intended for use with the proprietary software, but not for general purpose computer hardware or software;
2. The hiring of a for-profit entity or a not-for-profit entity incorporated under Title 15A of the New Jersey Statutes for the purpose of the operation, management or administration of recreation or social service facilities or programs; or the operation, management or administration of data processing services;
3. Services performed by an energy services company pursuant to N.J.S.A. 40A:18A-4.1.c;



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4. Telecommunications transmission or switching services that are not part of a tariff or schedule of charges filed with the Board of Public Utilities;
5. The purchase of specialized machinery or equipment of a technical nature, or servicing thereof, which will not reasonably permit the drawing of specifications;
6. Food services provided by food service management companies when not part of programs administered by the New Jersey Department of Agriculture, Bureau of Child Nutrition Programs;
7. Driver education courses provided by licensed driver education schools;
8. At the option of the Board, any good or service that is exempt from bidding pursuant to N.J.S.A. 18A:18A-5;
9. Laboratory testing services;
10. Concessions;
11. The operation, management or administration of other services, with the approval of the Division of Local Government Services in the Department of Community Affairs.

Any purpose included in 1 through 11 above, will not be considered by a Board as an extraordinary unspecifiable service pursuant to N.J.S.A. 18A:18A-5. 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.

C. Requests for Proposals

1. The purchasing agent will prepare request for proposal documentation, which will include:
 - a. All requirements deemed appropriate and necessary to allow for full and free competition between vendors;
 - b. Information necessary for potential vendors to submit a proposal; and
 - c. A methodology by which the Board will evaluate and rank proposals received from vendors.



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2. The methodology for the awarding of competitive contracts will be based on an evaluation and ranking, which will include technical, management, and cost related criteria, and may include a weighting of criteria. This methodology 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.
 - a. When an evaluation methodology uses a weighting of criteria, at the option of the Board the weighting to be accorded to each criterion may be disclosed to vendors prior to receipt of the proposals.
 - b. 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(a).
 3. At no time during the proposal solicitation process will the purchasing agent convey information, including price, to any potential vendor which could confer an unfair advantage upon that vendor over any other potential vendor. If a purchasing agent desires to change proposal documentation, the purchasing agent will notify only those potential vendors who received the proposal documentation of any and all changes in writing and all existing documentation will be changed appropriately.
 4. All proposals and contracts will be subject to the provisions of section 1 of P.L.1977, c.33 (C.52:25-24.2) requiring submission of a statement of corporate ownership and the provisions of P.L.1975, c.127 (C.10:5-31 et seq.) concerning equal employment opportunity and affirmative action.
- D. Soliciting, Evaluating and Awarding Competitive Bid Contracts
1. Notice of the availability of Request for Proposal
 - a. 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.
 - b. The purchasing agent will promptly reply to any request by an interested vendor by providing a copy of the request for proposals.
 - c. 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.



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2. Submission of Request for Proposals
 - a. Each interested vendor will submit a proposal which will include all the information required by the request for proposals.
 - b. Failure to meet the requirements of the request for proposals may result in the Board disqualifying the vendor from further consideration.
 - c. Under no circumstances will the provisions of a proposal be subject to negotiation by the Board.
3. Competitive Contracting - Subcontracting Services
 - a. 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.
 - b. 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.
 - c. 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.
 - d. 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.
 - e. 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.



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4. Evaluation of Requests for Proposals

a. 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 in accordance with N.J.S.A. 18A:18A-4.5d evaluating and recommending the award of a contract or contracts. The report will:

- (1) List the names of all potential vendors who submitted a proposal and will summarize the proposals of each vendor;
- (2) Rank vendors in order of evaluation;
- (3) Recommend the selection of a vendor or vendors, as appropriate, for a contract;
- (4) Be clear in the reasons why the vendor or vendors have been selected among others considered; and
- (5) Detail the terms, conditions, scope of services, fees, and other matters to be incorporated into a contract.

The report will be made available to the public at least forty-eight 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.

5. Award of Contract

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.

6. Competitive Contracting Report

The report prepared pursuant to N.J.S.A. 18A:18A-4.5d of this section 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.

7. Publication of Contracts Awarded Using Competitive Contracting



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- a. The Secretary of the Board will publish a notice in the official newspaper of the Board summarizing the award of a contract, which will include but not be limited to:
 - (1) The nature, duration, and amount of the contract;
 - (2) The name of the vendor; and
 - (3) A statement that the resolution and contract are on file and available for public inspection in the office of the Secretary of the Board.

Issued: 11 August 2009



6360 POLITICAL CONTRIBUTIONS

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 \$17,500.00, 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 (any time 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 \$17,500.00 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 \$17,500.00 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 does 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 not 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.



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Political Contributions

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 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 at 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 the 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 Notice – 6/4/07 & 1/15/10

Adopted: 11 August 2009
Adopted: 14 September 2010
Adopted: 8 February 2011



6361 **RELATIONS WITH VENDORS**

The Board of Education shall maintain honest and ethical relations with vendors and shall guard against favoritism, improvidence, extravagance, and corruption in its contracting processes and practices.

The Board will not 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 (codified at NJSA 19:44A-1 et seq.) to a member of the Board of Education during the preceding one-year period.

Contributions reportable by the recipient under P.L. 1973, c. 83 (codified at NJSA 19:44A-1 et seq.) to any member of the school Board from any business entity doing business with the school district are prohibited during the term of a contract. The Commissioner shall take appropriate action for any violations.

When a business entity 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.

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

N.J.A.C. 6A:10A-4.1 shall not apply to a contract when a school district emergency requires the immediate delivery of goods or services and shall not apply to contributions made prior to the effective date of these regulations.

N.J.A.C. 6A:10A-4.1(e)

Adopted: 11 August 2009



6362 **CONTRIBUTIONS TO BOARD MEMBERS AND CONTRACT AWARDS**

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.
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.



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Contributions to Board Members and Contract Awards

A Business Entity Disclosure Certificate (BED-C) shall be submitted by the business entity for all contracts of \$17,500 or greater in order to facilitate disclosure of contribution 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: 11 August 2009

Adopted: 8 February 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 Division of Business Services 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 three quotations from independent vendors. All quotations received will be attached to and retained with a copy of the voucher used to pay the vendor.

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 School Business Administrator/Board Secretary 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.

The Board's legal counsel shall review all contracts to ensure that they are in compliance with State law and Board policy.

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: 11 August 2009



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R 6421 PURCHASES BUDGETED

A. Definitions

1. "Purchasing agent" means the School Business Administrator/Board Secretary or the Business Manager of the Board of Education duly assigned the authority, responsibility and accountability for the purchasing activity of the Board and having the power to prepare advertisements, to advertise for and receive bids and to award contracts as permitted by this chapter, but if there be no School Business Administrator/Board Secretary or Business Manager, such officer, committees or employees to whom such power has been delegated by the Board.
2. "Extraordinary unspecifiable services" means services which are specialized and qualitative in nature requiring expertise, extensive training and proven reputation in the field of endeavor.
3. "Professional services" means services rendered or performed by a person authorized by law to practice a recognized profession and whose practice is regulated by law and the performance of which services requires knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship and training. Professional services may also mean services rendered in the provision or performance of goods or services that are original and creative in character in a recognized field of artistic endeavor.
4. "Aggregate" means the sums expended or to be expended for the provision or performance of any goods or services in connection with the same immediate purpose or task, or the furnishing of similar goods or services, during the same contract year through a contract awarded by a purchasing agent.
5. "Bid threshold" means the dollar amount set in N.J.S.A. 18A:18A-3, above which a Board shall advertise for and receive sealed bids in accordance with procedures set forth in N.J.S.A. 18A:18A-1 et seq.
6. "Contract year" means the period of twelve consecutive months following the award of a contract.



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7. "Competitive contracting" means the method described in sections 45 through 49 of P.L.1999, c.440 (C.18A:18A-4.1 through C.18A:18A-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or School Business Administrator; and the Board awards a contract to a vendor or vendors from among the formal proposals received.
8. "Goods and services" or "goods or services" means any work, labor, commodities, equipment, materials, or supplies of any tangible or intangible nature, except real property or any interest therein, provided or performed through a contract awarded by a purchasing agent, including goods and property subject to N.J.S.A. 12A:2-101 et seq.
9. "Library and educational goods and services" means textbooks, copyrighted materials, student produced publications and services incidental thereto, including but not limited to books, periodicals, newspapers, documents, pamphlets, photographs, reproductions, microfilms, pictorial or graphic works, musical scores, maps, charts, globes, sound recordings, slides, films, filmstrips, video and magnetic tapes, other printed or published matter and audiovisual and other materials of a similar nature, necessary binding or rebinding of library materials, and specialized computer software used as a supplement or in lieu of textbooks or reference material.
10. "Lowest price" means the least possible amount that meets all requirements of the request of a purchasing agent.
11. "Lowest responsible bidder or vendor" means the bidder or vendor: (1) whose response to a request for bids offers the lowest price and is responsive; and (2) who is responsible.
12. "Official newspaper" means any newspaper designated by the Board pursuant to R.S.35:1-1 et seq.
13. "Purchase order" means a document issued by the purchasing agent authorizing a purchase transaction with a vendor to provide or perform goods or services to the Board, which, when fulfilled in accordance with the terms and conditions of a request of a purchasing agent and other provisions and procedures that may be established by the Board, will result in payment by the Board.
14. "Quotation" means the response to a formal or informal request made by a purchasing agent to a vendor for provision or performance of goods or services, when the aggregate cost is less than the bid threshold. Quotations may be in writing or taken verbally if a record is kept by the purchasing agent.



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15. "Responsible" means able to complete the contract in accordance with its requirements, including but not limited to requirements pertaining to experience, moral integrity, operating capacity, financial capacity, credit, and workforce, equipment, and facilities availability.
 16. "Responsive" means conforming in all material respects to the terms and conditions, specifications, legal requirements, and other provisions of the request.
 17. "Concession" means the granting of a license or right to act for or on behalf of the Board, or to provide a service requiring the approval or endorsement of the Board, and which may or may not involve a payment or exchange, or provision of services by or to the Board, provided that the term concession shall not include vending machines.
 18. "Proprietary" means goods or services of a specialized nature, that may be made or marketed by a person or persons having the exclusive right to make or sell them, when the need for such goods or services has been certified in writing by the Board to be necessary for the conduct of its affairs.
 19. "Service or services" means the performance of work, or the furnishing of labor, time, or effort, or any combination thereof, not involving or connected to the delivery or ownership of a specified end product or goods or a manufacturing process. Service or services may also include an arrangement in which a vendor compensates the Board for the vendor's right to operate a concession.
- B. All purchasing for the school district will be conducted under the authority of the purchasing agent as defined in N.J.S.A. 18A:18A-2.b. and as designated by the Board.
- C. Any contract, the amount of which exceeds the bid threshold, shall be negotiated and awarded by the Board by resolution at a public meeting without public advertising for bids and bidding therefor if the subject matter thereof consists of:
1. Professional services. The Board will in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in an official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the Board;



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2. Extraordinary unspecifiable services which cannot reasonably be described by written specifications. The Board will in each instance state supporting reasons for its action in the resolution awarding the contract for extraordinary unspecifiable services and shall forthwith cause to be printed, in the manner set forth in C.1. above a brief notice of the award of such contract;
3. The doing of any work by employees of the Board;
4. The printing of all legal notices; and legal briefs, records and appendices to be used in any legal proceeding in which the Board may be a party;
5. Library and educational goods and services;
6. Food supplies, including food supplies for home economics classes, when purchased pursuant to rules and regulations of the State Board and in accordance with the provisions of N.J.S.A. 18A:18A-6;
7. The supplying of any product or the rendering of any service by a public utility, which is subject to the jurisdiction of the Board of Public Utilities, in accordance with the tariffs and schedules of charges made, charged and exacted, filed with said Board;
8. The printing of bonds and documents necessary to the issuance and sale thereof by a Board;
9. Equipment repair service if in the nature of an extraordinary unspecifiable service and necessary parts furnished in connection with such services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;
10. Insurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;
11. Publishing of legal notices in newspapers as required by law;
12. The acquisition of artifacts or other items of unique intrinsic, artistic or historic character;
13. Those goods and services necessary or required to prepare and conduct an election;



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14. The doing of any work by persons with disabilities employed by a sheltered workshop;
 15. Expenses for travel and conferences;
 16. The provision or performance of goods or services for the support or maintenance of proprietary computer hardware and software, except that this provision shall not be utilized to acquire or upgrade non-proprietary hardware or acquire or update non-proprietary software;
 17. Purchases of goods and services at rates set by the Universal Service Fund administered by the Federal Communications Commission;
 18. Goods and services paid with funds that: are raised by or collected from students to support the purchase of student oriented items or materials, such as yearbooks, class rings, and a class gift; and are deposited in school or student activity accounts; and require no budget appropriation from the Board;
 19. Food services provided by food service management companies pursuant to procedures established by the New Jersey Department of Agriculture, Bureau of Child Nutrition Programs;
 20. Vending machines providing food or drink.
- D. Any contract, the amount of which exceeds the bid threshold, shall be negotiated and awarded by the Board by resolution at a public meeting without public advertising for bids and bidding therefor
1. If the contract is to be made or entered into with the United States of America, the State of New Jersey, county or municipality or any Board, body, officer, agency, authority or Board or any other State or subdivision thereof.
 2. Bids have been advertised pursuant to N.J.S.A. 18A:18A-4 on two occasions and
 - a. No bids have been received on both occasions in response to the advertisement, or
 - b. The Board has rejected such bids on two occasions because it has determined that they are not reasonable as to price, on the basis of cost estimates prepared for or by the prior to the advertising therefor, or have not been independently arrived at in open competition, or



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- c. On one occasion no bids were received pursuant to a. above and on one occasion all bids were rejected pursuant to b. above, in whatever sequence; any such contract may then be negotiated and may be awarded upon adoption of a resolution by a two-thirds affirmative vote of the authorized membership of the Board authorizing such a contract; provided, however, that:
 - (1) A reasonable effort is first made by the Board to determine that the same or equivalent goods or services, at a cost which is lower than the negotiated price, are not available from an agency or authority of the United States, the State of New Jersey or of the county in which the Board is located, or any municipality in close proximity to the Board;
 - (2) The terms, conditions, restrictions and specifications set forth in the negotiated contract are not substantially different from those which were the subject of competitive bidding pursuant to N.J.S.A. 18A:18A-4; and
 - (3) Any minor amendment or modification of any of the terms, conditions, restrictions and specifications which were the subject of competitive bidding pursuant to N.J.S.A. 18A:18A-4 shall be stated in the resolution awarding the contract; provided further, however, that if on the second occasion the bids received are rejected as unreasonable as to price, the Board will notify each responsible bidder submitting bids on the second occasion of its intention to negotiate, and afford each bidder a reasonable opportunity to negotiate, but the Board shall not award such contract unless the negotiated price is lower than the lowest rejected bid price submitted on the second occasion by a responsible bidder, is the lowest negotiated price offered by any responsible vendor, and is a reasonable price for such goods or services.
3. Whenever the Board determines that a bid was not arrived at independently in open competition pursuant to subsection c.(2) of N.J.S.A. 18A:18A-5, it shall thereupon notify the county prosecutor of the county in which the Board is located and the Attorney General of the facts upon which its determination is based, and when appropriate, it may institute appropriate proceedings in any State or federal court of competent jurisdiction for a violation of any State or federal antitrust law or laws relating to the unlawful restraint of trade.



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4. The Board has solicited and received at least three quotations on materials, supplies or equipment for which a State contract has been issued pursuant to N.J.S.A. 18A:18A-10, and the lowest responsible quotation is at least 10% less than the price the Board would be charged for the identical materials, supplies or equipment, in the same quantities, under the State contract. Any such contract will be entered into in accordance with N.J.S.A. 18A:18A-5.e. and may be made, negotiated or awarded only upon adoption of a resolution by the affirmative vote of two-thirds of the full membership of the Board at a meeting thereof authorizing such a contract or agreement.
- E. Quotations
1. For all contracts that in the aggregate are less than the bid threshold but fifteen percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection a. of N.J.S.A. 18A:18A-5, except for paragraph (1) of that subsection concerning professional services and paragraph (3) of that subsection concerning work by employees of the Board, the purchasing agent shall award the contract after soliciting at least three competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The purchasing agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.
 2. When in excess of the bid threshold, and after documented effort by the purchasing agent to secure competitive quotations, a contract for extraordinary unspecifiable services may be awarded when the purchasing agent has determined in writing that solicitation of competitive quotations is impracticable. Any such contract shall be awarded by resolution of the Board.
 3. Whenever two or more responses to a request of a purchasing agent offer equal prices and are the lowest responsible bids or proposals, the Board may award the contract to the vendor whose response, in the discretion of the Board, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous.
- F. Requisitions
1. A requisition for goods and/or services may be originated by any school district employee who perceives a need for such goods and/or services.
 2. The requisitioner will prepare and sign a form, filling in the following information:



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- a. Description and quantity of item or service desired;
 - b. Unit price and total amount (actual or estimated) of proposed purchase;
 - c. Desired brand or vendor;
 - d. The building, program, subject, or class in which the goods or service will be used;
 - e. The name and title of the requisitioner; and
 - f. The date on which the requisition is filed.
3. Requisitions for lost or stolen equipment must be accompanied by an explanatory report.
 4. The requisitioner will retain a copy of the requisition form. Copies of the requisition form will be filed with the Principal or the appropriate supervisor for consideration.
 5. The Principal or immediate supervisor will determine:
 - a. The need for the requisitioned goods or services;
 - b. Whether the desired goods or services are presently available elsewhere in the district or are available without cost from another source;
 - c. The appropriateness of the proposed expenditure;
 - d. Whether the requisition can be combined with others for greater efficiency and economy;
 - e. Whether the originator's needs can be better met by an alternate purchase; and
 - f. Whether uncommitted funds remain in the budget allocations to the school or program, sufficient to cover the proposed expenditure.
 6. A requisition not approved by the Principal or immediate supervisor will be returned to the requisitioner with the reason for its rejection.



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7. When approval is given, the Principal or immediate supervisor will sign and date the requisition, indicate the account to be charged, retain the duplicate copy, and file the original with the School Business Administrator/Board Secretary, for approval.
 8. A requisition that originates with a Principal, immediate supervisor, or central office administrator must be approved by the School Business Administrator/Board Secretary.
 9. If the School Business Administrator/Board Secretary denies approval of a requisition approved or originated by a Principal, immediate supervisor, or central office administrator, he or she will so notify the approver or originator with the reason for the denial.
- G. Purchase Orders
1. Before a purchase order is prepared for an approved requisition, the School Business Administrator/Board Secretary shall determine whether:
 - a. The proposed purchase is exempt from bid in accordance with N.J.S.A. 18A:18A-5;
 - b. If appropriate, vendors' quotations have been solicited in accordance with F above;
 - c. The requisition can be processed without resort to advertisement for bid or solicitation of quotations; or
 - d. The proposed purchase is in excess of the bid threshold and may be Competitively Contracted in accordance with N.J.S.A. 18A:18A-4.5.
 2. A requisition that is not exempt from bid shall be submitted to the School Business Administrator/Board Secretary for advertisement.
 3. Approved requisitions must be authorized as follows:
 - a. If within the budget and not subject to bid, authorized by the School Business Administrator/Board Secretary;
 - b. If within the budget and subject to bid, authorized by a Board resolution awarding a contract after bid;



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- c. If not in the budget or in excess of the line item allocation, authorized by the Board or, as permitted by Policy No. 6422 between Board meetings, by the School Business Administrator/Board Secretary.
4. To prepare a purchase order, the School Business Administrator/Board Secretary shall
 - a. Verify and enter the account to which the purchase will be assigned;
 - b. Assign a purchase order number to the expenditure;
 - c. Verify and enter the name and address of the vendor;
 - d. Verify and enter the description of the goods and/or services, including, as appropriate, the quality standards of the goods sought;
 - e. Verify as necessary, by telephone call to the vendor or by reference to a catalog, and enter the unit cost of the goods and/or services;
 - f. Extend and total costs;
 - g. Check that the requisition has been properly approved and authorized; and
 - h. Determine and enter the desired delivery date and any necessary delivery instructions.
5. Each purchase order will be completed in full and forwarded to the School Business Administrator/Board Secretary for approval and signature.
6. The School Business Administrator/Board Secretary shall encumber the appropriate account in the amount of the purchase order.
7. Copies of the purchase order will be distributed as required.
8. A purchase order may be issued to confirm an oral order given to a vendor under bona fide emergency circumstances, pursuant to Policy No. 6422. A confirmation order will be so designated.
9. Open purchase orders may be written for vendors who regularly provide the school district with certain goods and/or services. Any open purchase order may be exempt from the requirement for bidding, must specify a "not to exceed" amount, and must be closely monitored to determine that the aggregate amount of goods and/or services does not exceed the bid threshold in any twelve month period.



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H. Payment

Purchases will be paid in accordance with Policy No. 6470 and Regulation No. 6470.

Issued: 11 August 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 this Policy 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 reported to the Board, ratified and 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 under budgeted 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



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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 finds.

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 students 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.A.C. 6A:23A-13.1; 6A:23A-13.2; 6A:23A-13.3

Adopted: 14 September 2010



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R 6422 **BUDGET TRANSFERS**

- A. Transfer of Surplus or Other Unbudgeted or Under-budgeted Revenue Between April 1 and June 30
1. The Board may transfer surplus or other unbudgeted or under-budgeted revenue between April 1 and June 30 only upon prior approval of the transfer by the Executive 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 for the approved use by June 30 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 Executive 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
 - 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 Under-budgeted Revenue Prior to April 1
1. Prior to April 1, the 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 under-budgeted revenue only for an emergent circumstance.



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2. The district shall be subject to an on-site inspection by the Executive County Superintendent for verification of the emergent circumstance and other supporting documentation.
 3. The district shall submit such Board-approved petition to the Executive 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 students or staff, and/or force the district into an operating deficit as a result of 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 in (1) 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 under-budgeted 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 under-budgeted 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;



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- c. Appropriate unbudgeted or under-budgeted school transportation revenue generated from a school district's or Coordinated Transportation Services Agency's role as the host provider of school transportation services pursuant to N.J.S.A. 18A:39-11 and 18A:39-11.1;
- d. Appropriate unbudgeted or under-budgeted restricted miscellaneous local revenue;
- e. Appropriate unbudgeted or under-budgeted Federal revenue; and
- f. Appropriate surplus generated from any Federal and/or State revenue excluded from the excess surplus calculation in the pre-budget 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. Student activities, student athletics, and other student instructional services;
 - c. Student 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 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.



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- 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 Executive 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 Executive 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 Executive County Superintendent if no Executive County Superintendent approval or denial is provided within that timeframe. The district shall maintain documentation of the Executive 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 Executive County Superintendent with 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 Executive 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



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(2) The transfer would result in a place the school district's budget in excess of the administrative cost limits in the applicable budget year, as prescribed in N.J.S.A. 18A:7F-5(c).

- b. Transfers may be approved to support a contractual obligation or one-time increase in spending as justified by district documentation. Transfers may not be approved if the district did not budget sufficient funds upon review of actual expenditures and historical trends in those accounts. A district that is granted such approval remains subject to the requirements set forth in N.J.S.A. 18A:7F-5(c).

F. Transfers to Capital Outlay Accounts

- 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:23A-8.4, the Board shall, prior to such transfer, submit to the Executive County Superintendent a request for such approval.

Approvals are required for unbudgeted or under-budgeted 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 Executive 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:23A-8.4, do not require approval by the Executive 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 Executive County Superintendent, and submit such report to the Executive 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:23A-16.10.

Issued: 14 September 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 students, 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 students 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 student activities that are solely for student 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 students; 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 student 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.



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Expenditures for Non-Employee Activities, Meals
and Refreshments

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: 11 August 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.

An actual or imminent emergency must exist requiring the immediate delivery of the goods or the performance of the service. Emergency contracts may not be used unless the need for the goods or services has arisen notwithstanding a good faith effort on the school district to plan for the purchase of any goods or services required by the school district. Under no circumstance shall emergency purchasing procedures be used to enter into a multi-year contract.

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.

As soon as possible, but within three days of declaring the emergency, the Superintendent of Schools shall notify the Executive County Superintendent of the nature of the emergency and the estimated need for goods or services necessary to respond to it.

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

N.J.A.C. 5:34-6.1

Adopted: 11 August 2009

Adopted: 24 January 2012



R 6424 EMERGENCY CONTRACTS

- A. Any contract may be negotiated or awarded for a Board of Education without public advertising for bids and 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, provided that the contracts are awarded in the following manner:
1. The official in charge of the building, facility, or equipment wherein the emergency occurred or such other officer or employee as may be authorized to act in place of that official, shall notify the purchasing agent and/or School Business Administrator/Board Secretary of:
 - a. The need for the performance of a contract;
 - b. The nature of the emergency;
 - c. The time of its occurrence; and
 - d. The need for invoking this section.
 2. Such notification shall be reduced to writing and filed with the purchasing agent and School Business Administrator/Board Secretary as soon as practicable.
 3. 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.
- B. Upon the furnishing of such goods or services, in accordance with the terms of the contract, the contractor furnishing such goods or services, shall be entitled to be paid and the Board shall be obligated for said payment. The Board shall take such action as shall be required to provide for the payment of the contract price.
- C. If conditions permit, the School Business Administrator/Board Secretary shall seek quotations from more than one source. And, 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.
- D. 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.



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Emergency Contracts

- E. The School Business Administrator/Board Secretary shall 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. The report shall describe:
1. The nature of the emergency;
 2. The time of its occurrence;
 3. The need for invoking this regulation;
 4. The action taken;
 5. The costs of the action;
 6. The accounts to be charged; and
 7. The plan for preventing a similar situation in the future.

Adopted: 11 August 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.



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Cooperative Purchasing

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: 11 August 2009



6450 **CHOICE OF VENDOR**

The Board of Education recognizes its position as a major purchaser of goods and services in the community served by the school district. It is the intention of the Board to purchase goods and services of the requisite quality at the lowest possible cost and to invite widespread competition in order to achieve this end. Where all other considerations are equal, however, the Board will exercise a preference for dealing with established local merchants and service providers from within the boundaries of the school district.

The School Business Administrator/Board Secretary is authorized to place purchase orders with local merchants and providers when their prices and terms are competitive with other vendors. Nothing in this policy shall be deemed to circumvent the requirements of law regarding public purchasing.

All vendors shall supply assurances that they do not practice discrimination as described in the administrative code. All vendors shall be informed that harassment of any kind, of district students or employees by their representatives is prohibited.

N.J.S.A. 18A:6-8; 18A:12-2; 18A:18A-15(b)

Adopted: 11 August 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.



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Payment of Claims

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 6422.

The Board must approve all claims for payment, except such payments that are to be paid from funds derived from athletic events or other activities of student organizations. 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 \$1,000,000, 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.

The following items are payment claims that may be made in between board meetings:

1. Payments to vendors who offer discounts for prompt payments. This would be consistent with state regulation
2. Any payment that is needed to avoid financial penalties if not paid timely in order to comply with state regulation
3. A payment that if not paid would cause undue hardship to the district or to students. This would not include payments to board employees due to that employee's casual oversight.
4. Utility bills
5. Bills required by statute (charter schools, tuition contracts) in accordance with the statutory requirements in order for the board to be in full compliance of the same
6. Items previously approved by the Board or provided for in the budget
7. Requests by district attorneys for settlements that have been approved by the board
8. Reimbursements to board members including the superintendent
9. Requests from attorneys for court related fees imposed on the district by the legal system
10. Final notices that might impact the district if not paid
11. Motor vehicle costs and fees
12. Student athletic costs and fees consistent with any board policy
13. Contractors within 30 days of architect's certification
14. Pension, health benefit related obligations
15. Payments related to payroll corrections
16. Impressed petty cash payments (original)
17. Board approved scholarships
18. Any eligible reimbursements to employees who have paid for paying tests that were mandated by the state or district



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Payment of Claims

All claims shall be fully itemized, verified and shall 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. All claims that equal or exceed fifteen percent of the bid threshold amount established pursuant to N.J.S.A. 18A:18A-3, except for payrolls and debt service, shall be verified by affidavit or by signed or by signed declaration in writing in accordance with the provision of N.J.S.A. 18A:19-3.

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 shall be signed by the Board President, Board Secretary, Superintendent of Schools, and/or Treasurer of School Moneys as appropriate to the district.

N.J.S.A. 18A:17-36; 18A:18A-3; 18A:19-1 et seq.; 18A:19-3;
18A:19-4; 18A19-4.1; 18A:22-8.1
N.J.A.C. 6A:23A-6.10

Adopted: 11 August 2009
Adopted: 11 September 2012



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Payment of Claims

R 6470 PAYMENT OF CLAIMS

A. Receipt of Goods and Services

1. The staff member authorized to receive goods or services shall check them against the purchase order issued and determine whether the goods or services delivered meet the specifications and quantities set forth in the purchase order.
2. The staff member authorized will record his or her approval of the received goods or services on the receiving copy of the purchase order and return it to the Business office. A copy of the purchase order will be retained by the staff member.
3. Any oversupply, shortage, substitution, or other discrepancy must be reported immediately to the School Business Administrator/Board Secretary or designee.

B. Approval of Invoice

1. The School Business Administrator/Board Secretary or designee shall verify the vendor's invoice for the correct billing price and check the invoice for accurate extensions and omission of tax.
2. The School Business Administrator/Board Secretary or designee shall attach the vendor's invoice and verification voucher, if a verification voucher is necessary, to the copy of the purchase order received from the requisitioner certifying satisfactory completion of the service or receipt of the goods.
3. If the invoice price exceeds the purchase order price the invoice will be referred to the School Business Administrator/Board Secretary, who will only approve a payment amount in excess of the approved purchase order amount in accordance with the provisions of Policy 6470 and N.J.A.C. 6A:23A-6.10.
4. If extensions are incorrectly calculated, the invoice will be returned to the vendor for correction.
5. If tax has been charged, the invoice will be returned to the vendor for correction with a copy of the district's tax exemption certificate.
6. If goods or services received were not satisfactory, the receiving staff member and the vendor will be consulted in order to reach a resolution satisfactory to all parties.



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7. The final invoice, verification voucher (if necessary), verified receipt, and all accompanying papers will be forwarded to the School Business Administrator/Board Secretary or designee.
- C. Issuance of Warrants
1. The School Business Administrator/Board Secretary or designee may prepare warrants for expenditures for which the Board has waived approval as listed in Policy 6470:
 2. All claims paid without prior Board approval as permitted in Policy 6470 and N.J.S.A. 18A:19-4.1 et seq. shall be reported to the Board at its next meeting after the warrant is drawn.
 3. All other demands for payment will be submitted to the Board for approval.
 4. In accordance with Policy 6470, claims must be submitted to the Board in the form of a list that includes the:
 - a. Number, amount, and date of the warrant,
 - b. Payee,
 - c. Reason for the expenditure, and
 - d. Account charged.
 5. When the expenditure has been approved, the authorized Business office staff member will debit the correct account and credit the encumbrance.
 6. A warrant will be prepared for the payment of goods or services after the claim has been approved by the Board. The warrant number will be recorded on the file copy of the vendor's invoice.
 7. All warrants shall be signed by the Board President, the Board Secretary, and the Treasurer of School Moneys as appropriate to the district and in accordance with the requirements of applicable statutes and administrative codes.
 8. The Board of Education shall approve the authorized signatures to be required on warrants for each account. Warrants may be signed in one or more of the following manners:



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- a. Warrants may be run through a checkwriter machine for imprint of the required signatures. A checkwriter machine will be kept in a secure location. The key(s) to the checkwriter machine will be removed from the checkwriter machine when it is not in use and stored in a secured location not with the checkwriter machine.
- b. Warrants may have the required signature affixed by use of signature stamps. When the signature stamps are not in use they will be kept in a secured location.
- c. Warrants may have an imprint of the signatures affixed by the computerized system when the warrants are printed. The computer system used to prepare warrants and affix signatures shall have appropriate security software to assure that unauthorized individuals do not have access to the system.

Issued: 11 August 2009

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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:1 I-12 and State of New Jersey Department of the Treasury, Office of Management and Budget (OMB) Circulars 08-19--OMB and 06-14-0 (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;



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- 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:23-7A et seq., including but not limited to, inclusion in the annual travel limit, prior Board approval, separate tracking, and per diem reimbursements.



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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: 1-12 in accordance with the provisions of N.J.A.C. 6A:23 A-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-7.13. 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.



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- 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 pre-budget 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 pre-budget year and the amount spent to date.



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- 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, pre-budget 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.
- 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.



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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.

Optional

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;



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- c. Justification of the importance of these individuals attending the event;
 - d. A justification and 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. For training events, whether the training is needed for a certification required for continued employment, continuing education requirements, requirements for 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;
 - 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:



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- 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 or/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



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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;



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- 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 other than that permitted by the Commission of Education's circular 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; 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);



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- l. Gratuities or tips in excess of those permitted by Federal per diem rates;
 - m. Reverse telephone charges or third party calls;
 - n. Hospitality rooms;
 - o. Souvenirs, memorabilia, promotional items, or gifts;
 - p. Air fare without documentation of quotes from at least three airlines and/or online services; and
 - q. Other travel expenditures that is 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. Mileage reimbursement should only be authorized at the OMB rate for anyone required to use their own automobile in the performance of their duty.
 - b. Air and rail tickets shall be purchased via the Internet, if possible, using airline or online travel services such as Travelocity, Expedia, Hotwire;
 - c. 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:



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- (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;



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- (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.
- d. 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 Avella, 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.



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- 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;



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- (g) School district-owned or leased vehicles shall be utilized in accordance with N.J.A.C. 6A:23A-0.12;
- (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-7.1 1(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



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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.



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- 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. 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.
0. 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.



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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 0 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 students 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 student 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.



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- 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 if required pursuant to N.J.S.A. 18A:18A-1 et. seq.
 - 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.



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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 a 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;



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- 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: 11 August 2009

Adopted: 14 September 2010

Adopted: 12 May 2015



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School District Travel Procedures

R 6471 **SCHOOL DISTRICT TRAVEL PROCEDURES**

A. Approval of Travel Expense Reimbursement

The following procedure shall be implemented for all Board of Education staff members and Board members seeking to receive travel expense reimbursement in accordance with the provisions of N.J.A.C. 6A:23A-7 and Policy 6471:

1. All requests for travel must be submitted to the Superintendent of Schools or designee prior to the requested travel date(s) within the timeframe established by the Superintendent for the request to be considered and for submission of the request to the Board for Board approval.
2. All requests for travel outside the Mid-Atlantic region must be submitted 120 days in advance of the travel date. The Executive County Superintendent of Schools must approve such requests; therefore, the request must be submitted in a timely fashion. Travel plans shall not be made without receiving approval receiving approval from the Essex County Superintendent of Schools. If he/she approves the travel at a lower cost, the attendee will be responsible for the difference without reimbursement from the Board for said difference.
3. The Superintendent may require travel requests be submitted to a Principal, the School Business Administrator/Board Secretary, and/or the staff member's immediate supervisor for preliminary approval before considering such request for submission to the Board.
4. A travel request will not be approved unless it 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. A justification and 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. For training events, whether the training is required for continued employment, continuing education requirements, requirements for State law, or other purpose related to the programs or



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- services currently being delivered or soon to be implemented in the school district, or related to district operations;
- 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:
 - (1) In the case of annual events, total attendance, and cost for previous year.
5. The Superintendent of Schools shall review and may approve or deny each request for travel submitted by a school staff member. The Superintendent's signature designating approval is required on each request from school staff members for travel expenses prior to submission to the Board for approval.
- a. If the travel request for a school staff member is approved by the Superintendent of Schools and if the requested travel expenses are in compliance with the guidelines outlined above, the travel request will be submitted to the Board of Education for approval.
 - b. If any travel expenses requested by a school staff member are not in compliance with the guidelines outlined above, the School Business Administrator/Board Secretary will return the request to the Superintendent of Schools.
 - (1) The Superintendent may deny the request, approve the request conditioned upon the staff member assuming the financial responsibility for those travel expenses that are not in compliance with the guidelines, or may return the request to the school, staff member to be revised in accordance with the guidelines outlined above.



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School District Travel Procedures

6. The Superintendent of Schools and/or the School Business Administrator/Board Secretary shall review each travel request submitted by a Board member.
 - a. The School Business Administrator/ Board Secretary shall review all requests for Board member travel prior to submission to the Board for Board approval. The School Business Administrator/Board Secretary or designee will determine if the expenses as outlined in the travel request are in compliance with N.J.S.A. 18A:11-12, N.J.A.C. 6A:23A-7, the current State travel payment guidelines established by the Department of the Treasury, and the current guidelines established by the Federal Office of Management and Budget.
 - b. If the requested travel expenses for a Board member are in compliance with the guidelines outlined above, the travel request will be submitted to the Board of Education for approval.
 - c. If any travel expenses requested by a Board member are not in compliance with the guidelines outlined above, the School Business Administrator/Board Secretary will return the request to the Board member to be revised in accordance with the guidelines outlined above.
7. All travel requests must be approved by a majority of the full voting membership of the Board at a Board meeting unless prior Board approval is not required in accordance with provisions of N.J.A.C. 6A:23A-7 and Board Policy 6471.

B. Reimbursement of Travel Expenses

All approved travel expenses shall be reimbursed by the Board of Education in accordance with the provisions of N.J.A.C. 6A:23A-7 and Board Policy 6471 implementing the following procedures:

1. The School Business Administrator/Board Secretary or designee shall review 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.
2. 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.



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3. 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.
4. 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).
5. All travel expense reimbursement payments to be made to a school staff member or a Board member will be made to the staff member or Board member in accordance with the district's policy regarding payment of claims.

Issued: 11 August 2009

Issued: 14 September 2010

Issued: 12 May 2015



6472 TUITION ASSISTANCE

The Board of Education recognizes the importance of advanced educational experience, coursework, and degrees for employees. The Board of Education may provide tuition assistance to an employee in accordance with contract provisions in a collective bargaining agreement, an individual employment contract, or as per any other employment agreement or contract approved by the Board.

In accordance with the provisions of N.J.S.A. 18A:6-8.5, in order for the Board of Education to provide tuition assistance to an employee for coursework taken at an institution of higher education or additional compensation upon the acquisition of additional academic credits or completion of a degree program at an institution of higher education. The institution shall be duly authorized institution of higher education as defined in Section 3 of P.L. 1986, c.87 (c.18A:3-15.3).

The employee shall be required to obtain approval from the Superintendent of Schools prior to enrollment in any course for which tuition assistance is sought. In the event the Superintendent denies the approval, the employee may appeal the denial to the Board of Education. In the case of tuition assistance for the Superintendent of Schools, the approval shall be obtained from the Board of Education.

In accordance with the provisions of N.J.S.A. 18A:6-8.5.c., tuition assistance or additional compensation shall be provided only for a course or degree related to the employee's current or future job responsibilities.

Nothing in N.J.S.A. 18A:6-8.5 shall be construed to limit the authority of the Board to establish more stringent requirements for the provisions of tuition assistance or additional compensation. The provisions of this Policy and N.J.S.A. 18A:6-8.5 shall not be deemed to impair an obligation set forth in a collective negotiations agreement or an individual contract of employment in effect on May 6, 2010.

N.J.S.A. 18A:6-8.5

Adopted: 24 January 2012



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Purchase of Food Supplies

6480 - PURCHASE OF FOOD SUPPLIES

The Board of Education authorizes the purchase of certain food supplies without 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 Board of Education authorizes the School Business Administrator/Board Secretary or designee to purchase all food supplies without advertising for bids in accordance with N.J.S.A. 18A:18A:5 and N.J.A.C. 6A:23A-16.5 et seq.

The School Business Administrator/Board Secretary or designee shall obtain price quotations for all food supplies purchased without advertising for bids in accordance with N.J.A.C. 6A:23A-16.5 et seq.

Vendors interested in providing food supplies to the school district shall submit a written request to the School Business Administrator/Board Secretary or designee to receive specifications for food supplies to be purchased by the school district. The School Business Administrator/Board Secretary or designee will maintain a list of interested vendors and will mail specifications for food supplies to those vendors who requested such specifications.

Each time a purchase of food supplies is to be made, the School Business Administrator/Board Secretary or designee shall solicit quotations from interested, eligible vendors. Quotations for fresh or frozen fruits, vegetables, and meats need not be solicited more than once in any two week period.

The School Business Administrator/Board Secretary or designee shall provide definite and uniform specifications governing standards of quality to each eligible vendor from whom quotations are solicited. Specifications for food supplies will indicate a time in which all quotations must be submitted to the school district for consideration.

All quotations from interested, eligible vendors will be evaluated by the School Business Administrator/Board Secretary or designee. Food supplies shall be purchased from the vendor who submits the lowest quotation, except that food supplies may be purchased from another vendor who submitted a quotation when the School Business Administrator/Board Secretary or designee can justify the purchase. 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.



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Purchase of Food Supplies

The School Business Administrator/Board Secretary or designee may purchase food supplies for any school cafeteria or home economics class to the extent of not more than \$500.00 any month without soliciting quotations provided the School Business Administrator/Board Secretary provides a written signed statement with the invoice indicating the reason why quotations could not be obtained. The signed statement filed with the invoice shall be retained for review and audit.

Nothing in this Policy shall prevent the Board from purchasing food supplies by advertising for bids and awarding the contracts in accordance with N.J.S.A. 18A:18A-4.

N.J.S.A. 18A:18A-4 et seq.; 18A:18A-5a (6); 18A:18A-6
N.J.A.C. 6A:23A-16.5

Adopted: 12 March 2013



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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 an 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 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 School Business Administrator/Board Secretary is authorized to withhold salary or wages for services not rendered, in accordance with Board policy.

Staff members shall be paid in accordance with the provisions in their collective bargaining agreement and/or in accordance with a schedule provided to all employees prior to the beginning of the contract or school year.

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.



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Payroll Authorization

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: 11 August 2009



6511 **DIRECT DEPOSIT**

The Board of Education may determine to have the net pay of all school district employees directly deposited in a specific banking institution in a checking account, savings account, or share account designated in writing by the employee in accordance with the provisions of N.J.S.A. 52:14-15h.

If the Board approves a direct deposit program, compliance by an employee shall be mandatory. However, the Board may grant an exemption from the mandatory requirements of N.J.S.A. 52:14-15h on such terms and conditions as the Board deems necessary. The Board may grant an exemption for seasonal and temporary employees as the Board deems necessary.

The Board shall make available for those employees required to have their net pay direct deposited in accordance with the provisions of N.J.S.A. 52:14-15h, all information concerning net pay, any accompanying information approved for distribution with net pay, and W-2 forms in accordance with applicable Federal law, only on the Internet with restricted access and policies and procedures to protect the integrity and confidentiality of the information. The Board will continue to complete the payroll check distribution verification process as required in N.J.A.C. 6A:23A-5.7 and Policy 6510.

In the event the Board of Education determines to implement a mandatory direct deposit program in accordance with N.J.S.A. 52:14-15h, the Board shall annually adopt a resolution to implement the direct deposit requirements of N.J.S.A. 52:14-15h. The Board approved resolution shall designate the school district's banking institution that shall be used to implement the direct deposit program and shall indicate any employee group or category that are exempt from the Board's direct deposit requirements.

N.J.S.A. 52:14-15h
N.J.A.C. 6A:23A-5.7

Adopted: 26 June 2014



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 and Court Orders.

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. Bona fide organizational dues, N.J.S.A. 52:14-15.9e; and
4. Other fringe benefit contribution(s) as specified in negotiated contracts.

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 Sheltered Annuities

The East Orange Board of Education recognizes that it has a responsibility to its employees to offer an opportunity to participate in a tax sheltered annuity program.

While the East Orange Board of Education recognizes that it has a responsibility to offer participation in a Tax Sheltered Annuity, it also recognizes that there are administrative burdens associated with the program. Therefore, it wishes to limit the number of companies to the current number participating, ten. New companies will be added to the list of eligible participants on a first come, first serve basis through attrition only. This means that as one company drops out through lack of participation, the next company on the list will participate on a first come, first serve basis.



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Payroll Deductions

Further, The East Orange Board of Education, while making available participation in such programs, wishes to limit the number of opportunities employees have to transfer from one program to another or adjust the amount being deducted. Therefore, the frequency any employee can change their tax shelter or adjust the amount being deducted will be limited to no more than twice a year and must be submitted only in November or April.

An employee may stop their annuity payment at any time during the year. However, if the employee wants to begin payments into a new annuity plan he/she must wait for either of the two allotted periods as indicated.

An employee, who at the time will be a first-time participant in an annuity, may begin an annuity plan at any time during the year.

The Board holds the School Business Administrator/Board Secretary responsible for preparing a procedure for tax annuity vendors to meet employees. The procedure schedule must not interfere with the day-to-day operation of the schools and yet must give the recognized vendors an equal opportunity for employee contact.

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: 11 August 2009



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6620 PETTY CASH

The Board of Education authorizes establishment of imprest petty cash accounts for the Superintendent, the School Business Administrator/Board Secretary, the Principals, student personnel, the Directors of Curriculum and Personnel. Amounts shall be set by Board resolution annually.

Funds are to be used for emergencies and small purchases only and not to subvert the intent of the regular purchasing procedures or for routine expenditures. No single expenditure shall exceed \$50.00.

All disbursements from petty cash shall be reported at the next regular monthly meeting after the request for reimbursement. All petty cash funds shall be established by Board approved voucher and all unused cash is to be returned to the depository at the close of each fiscal 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: 11 August 2009



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Petty Cash

R 6620 PETTY CASH

Each petty cash fund established by Policy No. 6620 shall be administered in accordance with the following rules:

A. Authority

1. The custodian of the fund shall assume direct control of the fund or assign direct control to a responsible school employee under his/her direct supervision. (Hereinafter, "custodian" includes the custodian's designee.)
2. Each deposit and expenditure shall be promptly and accurately recorded.

B. Withdrawal

1. Each person who seeks petty cash funds shall prepare and sign a written request stating the amount requested and the purpose of the funds. The requestor will supply receipts or invoices as appropriate to support the request, and all such documents will be attached to the request.
2. The custodian will prepare a disbursement slip for each expenditure that records the date, amount of the expenditure, purpose of the expenditure briefly stated, and the name of the requestor.
3. The person who receives the funds will acknowledge receipt by signing the disbursement slip. The disbursement slip will be attached to the request for expenditure.
4. Any check drawn on a petty cash fund shall be in the exact amount of the request submitted for reimbursement.
5. No cash shall be released from the petty cash box to any person as a loan or in change for a personal check, but change may be made from the petty cash box on a direct exchange of funds in equal amounts.
6. No single petty cash expenditure may exceed the amount established by Policy No. 6620. No request for funds or supporting receipts will be divided so as to circumvent this rule.
7. At the end of each school day, the custodian will lock the petty cash box and place it in a secure and locked place, preferably fireproof and stationary.



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Petty Cash

8. The custodian will retain and file each request for funds, with the disbursement slip and supporting documents attached.
- C. Reimbursement
1. When the fund is required to be replenished the custodian will complete and file with the Board Secretary a report on the amounts disbursed from the fund during that period.
 2. The Board Secretary will prepare a voucher for Board approval in an amount equal to that which was disbursed. All requests for disbursement, supporting documentation, and disbursement slips will be submitted with the request for replenishment.
 3. At the end of each school year, the custodian of the fund will return the petty cash box, with remaining petty cash, and the checkbook to the Board Secretary. The custodian will also complete a final report of the fund for audit.

Issued: 11 August 2009



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Athletic Fund

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 facilitate the interscholastic athletic program by providing sufficient funds to overcome any deficit existing in the athletic fund at the conclusion of the school year.

The Building Principal and 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's office within twenty-four hours of collection and must be deposited on the day they are received.

All payments for supplies, equipment, and services for the interscholastic athletic program will be made in accordance with established purchasing procedures of the district except that fees for referees, ticket takers, and security personnel will be exempted from those procedures. Purchase orders for goods and services purchased through the athletic fund will be approved by the School Business Administrator/Board Secretary. Disbursements from the athletic fund will be made by check and approved by the Principal, Athletic Director, and School Business Administrator/Board Secretary.

At the conclusion of each athletic program, the athletic director shall, within eight weeks, submit a complete inventory of all equipment and supplies to the School Business Administrator/Board Secretary.

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

Adopted: 11 August 2009



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Scholarship Fund

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 Building Principal of the appropriate school 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 School Business Administrator/Board Secretary in accordance with a schedule having the prior approval of the Board.

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

Adopted: 11 August 2009



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Student Activity Fund

6660 STUDENT ACTIVITY FUND

The Board authorizes the establishment of a student activities account for funds derived from events and activities of student organizations and to account for the accumulation of money to pay for student 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 Principal of the school, or a Board-appointed school treasurer, shall be responsible for the proper administration of the fund in accordance with uniform procedures and regulations developed for all schools by the School Business Administrator/Board Secretary.

Funds collected for a student activity shall be turned into the administrator 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 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. Such procedures and regulations shall cover: specifics as to sources of funds; authorized purposes and restrictions as to the use of such funds; appropriate accounting procedures, including the requirement that all disbursements be substantiated by approved vouchers or invoices; regulations governing liquidation of funds.

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 chronological by school and individual student activity showing date, vendor, check number, purpose, and amount. All disbursements shall be made by check. All checks for student activity funds must bear two authorized signatures. The following are authorized to sign:

Principal, Assistant Principal
School Secretary, School Treasurer



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Student Activity Fund

School Business Administrator/Board Secretary

Such funds shall be deposited only in a bank(s) designated as an official depository (ies) for school activity funds. All payments made from these accounts shall have the approval of the school Principal.

The student activity account shall be reconciled with the student activity ban 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).

Under law, the annual audit of funds under the jurisdiction of the Board shall include an audit of all school activities funds.

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 funds collected by any teacher or student 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 school activity is no longer active, discontinued of the activity or a class has graduated shall revert to

Select one of the following alternatives:

- the school's class accounts in an equal proportion.
- the school's activity accounts in the same manner as interests earned on the bank account is disbursed.
- other

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

N.J.A.C. 6A:23A-16.12

Adopted: 11 August 11 2009

Adopted: 14 September 2010



6700 INVESTMENTS

The Board of Education directs the prompt investment at interest of any unencumbered funds available for the discretionary use of the Board. Such funds may be invested in bonds or other obligations of the United States; bonds of those federal agencies in which such investment is permitted by law; the New Jersey Cash Management Fund; bonds or obligations of a county, municipality, or school district; and public depositories located within the boundaries of the State of New Jersey that secure public funds in accordance with statute.

The School Business Administrator/Board Secretary is authorized to invest district funds in accordance with this policy.

Any interest earned on the investment of district funds will be combined with general district revenues.

The Treasurer shall report to the Board each month the cash in all accounts on deposit and all investment assets. The Board Secretary shall report to the Board each month the amount of funds in investments, investment interest earned, and all investment transactions.

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: 11 August 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



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Reserve Accounts

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: 14 September 2010



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R 6740 RESERVE ACCOUNTS

- A. Capital Reserve Account
1. The Board of Education or a Board of School Estimate 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.
 2. 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:
 - a. To implement capital projects in the school district's Long-Range Facilities Plan (LRFP) as required pursuant to N.J.S.A.18A:7G-4(a) and N.J.A.C. 6A:26-2; and
 - b. To augment a capital project funded in whole or part by bond proceeds only when:
 - (1) The original referendum question separately listed the amount and portion of local share (or portion of total costs of a project receiving debt service aid) to be funded by capital reserve pursuant to N.J.A.C. 6A:26-3.7 and 3.12; or
 - (2) Voter or Board of School Estimate approval, as appropriate, was received to augment the original approved question by special appropriation in a Type I school district, by separate question at a special election or through the appropriate line-items and supporting documentation in the base budget at the annual school election pursuant to N.J.A.C. 6A:26-4.4(a)3iii.
 3. The Board of Education may increase the balance in the capital reserve account by:
 - a. Appropriating funds in the annual general fund budget certified for taxes to meet the needs of the LRFP that are not met by State support; or
 - b. 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:
 - (1) Formally established a capital reserve account; and



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- (2) Obtained an approved LRFP in accordance with N.J.A.C. 6A:26-2.
4. The Board of Education, at its option, may satisfy the withdrawal approval requirements set forth in 8. below when funds are deposited into the capital reserve account in the annual budget pursuant to 3.a. and 3.b. above using the designated line item, supporting documentation, and a statement of purpose in the advertised budget. The Board of Education shall include in its statement of purpose:
 - a. The amount of the deposit;
 - b. A description of the future capital project and purpose; and
 - c. A statement that "The amount represents expenditures for construction elements or projects that exceed the facilities efficiency standards determined by the Commissioner as necessary to achieve the Core Curriculum Content Standards."
5. The Board of Education may request express approval of the voters for appropriation of additional amounts into the capital reserve by a separate proposal at budget time, or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. The Board of Education may request approval of a Board of School Estimate, if applicable, for appropriation of additional amounts into capital reserve by a separate proposal at budget time or by special resolution. The amount expressly approved by the voters or Board of School Estimate, as applicable, for deposit into a capital reserve may be from surplus or unrestricted local miscellaneous revenue only if such source is delineated in the question and/or special resolution.
6. The Board 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).
7. The Board of Education shall maintain an amount of funds in the capital reserve account that does not exceed the amount needed to implement the capital projects in a school district's LRFP that are not met by State support.
 - a. If the amount in capital reserve exceeds the amount authorized in 7. above, the Board of Education shall withdraw the excess and reserve and designate it in the subsequent year's budget.



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- b. The Board of Education shall ensure that all excess amounts in the capital reserve account identified in the annual audit, required pursuant to N.J.S.A. 18A:23-1 and procedures developed by the Commissioner, are reserved and designated in the subsequent year's budget.
8. The Board of Education may withdraw funds from the capital reserve account at any time as follows:
 - a. By Board resolution for the transfer of funds to the line items in the capital outlay major account/fund to fund pre-development or other pre-application costs associated with architects, lawyers, and construction managers for school facilities projects included in the approved LRFP;
 - (1) Pursuant to N.J.A.C. 6A:26-4.2(a), a Board that used capital reserve for such costs in a capital project funded in part or in whole by bond proceeds has the option to reimburse the general fund from the capital projects fund after approval of the referendum or resolution;
 - b. By Board resolution for the transfer of funds to the line items in the capital outlay major account/fund to fund the local share less any excess costs of a school facilities project as determined in accordance with N.J.A.C. 6A:26-3;
 - c. By Board resolution for the transfer of funds to the line items in the capital outlay major account/fund to fund the total costs, less any excess costs, of another capital project, which would otherwise be eligible for State support, as determined in accordance with N.J.A.C. 6A:26-3;
 - d. By Board resolution for the transfer of funds to the capital projects fund pursuant to N.J.A.C. 6A:26-4, after receiving voter, Board of School Estimate, or Capital Project Review Board approval, as applicable, of the capital reserve use and specific amount in an approved referendum or resolutions pursuant to N.J.A.C. 6A:26-3.7;
 - e. By Board resolution after receiving voter, Board of School Estimate, or Capital Project Review Board approval, as applicable, except as authorized in N.J.A.C. 6A:26- 3.12(c), for the transfer of funds to the line items in the capital outlay major account/fund to fund excess costs of a school facilities project and to fund the total costs for other capital projects that would not otherwise be eligible for State support as determined in accordance with N.J.A.C. 6A:26, Educational Facilities:



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- (1) Voter, Board of School Estimate, or Capital Project Review Board approval, as appropriate, may be obtained through the original budget certified for taxes, in which the Board shall include a statement of purpose in the advertised budget, or through a Board of School Estimate's special appropriation process, if appropriate.
- (2) The Board of Education or Board of School Estimate, as appropriate, shall include in the statement of purpose or special question for the capital project:
 - (a) The total costs;
 - (b) The final eligible costs;
 - (c) The amount requested for withdrawal for excess costs;
 - (d) A description/purpose of the capital project, or portion thereof, which the excess costs will fund; and
 - (e) A statement that "The amount represents expenditures for construction elements or projects that exceed the facilities efficiency standards determined by the Commissioner as necessary to achieve the Core Curriculum Content Standards."
- (3) If requesting a withdrawal for multiple capital projects, the Board of Education or Board of School Estimate, as appropriate, shall include in the statement of purpose or special question the required information identified in 8.e.(1) and (2) above separately for each individual capital project.
- (4) The Board of Education or Board of School Estimate, as appropriate, shall ensure that the amount(s) approved by the voters, Board of School Estimate, or Capital Project Review Board, as appropriate, are used exclusively for the purpose or purposes contained in the associated statement or question.
- (5) For any approved amounts that remain unexpended or unencumbered at the end of the school year, the Board of Education or Board of School Estimate, as appropriate, shall:
 - (a) Return such funds to the capital reserve account;



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- (b) Anticipate such funds as part of the designated general fund balance of the subsequent school year budget; or
 - (c) Reserve and designate such funds in the second subsequent school year budget;
 - f. By Board resolution and after receiving Commissioner approval in accordance with N.J.A.C. 6A:26-3.13, and voter, Board of School Estimate, or Capital Project Review Board approval, as appropriate, pursuant to 3.b. above and N.J.A.C. 6A:23A-14.1, for the transfer of funds to the line items in the capital outlay major account/fund for the purchase of land; or
 - g. By Board resolution for the transfer of funds to the debt service account for the purpose of offsetting locally funded principal and interest payments for bonded projects that are included in the school district's LRFP.
- 9. Notwithstanding 8. above, 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 2. above. 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 only upon receipt of written approval of the Commissioner. To obtain the Commissioner's approval, 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.
- 10. The Board of Education shall administer and account for the capital reserve account as follows:
 - a. The Board shall establish and maintain the capital reserve account 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;
 - b. If the cost to complete an approved school facilities project not funded in whole or part by school bonds exceeds the local share less excess costs, those costs up to ten percent above the local share less excess costs may be withdrawn from capital reserve funds in accordance with 8.a. above;



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11. 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.
 - a. If the original purpose is outside the scope of the Board's approved LRF, the Board of Education shall account for such funds separately in the capital reserve fund and appropriate the funds as revenue for such purposes in the annual budget certified for taxes. The Board of Education shall restore to the capital reserve account for use pursuant to N.J.A.C. 6A:23A-14 any unexpended capital outlay appropriations up to the amount of such capital reserve funds appropriated. Expenditures shall be charged first to unrestricted capital outlay fund sources with capital reserve account appropriations expended last. The Board of Education shall not deposit any additional funds into the capital reserve account pursuant to 3. through 6. above for such pre-July 18, 2000 purposes.
 - b. If the original purpose is within the scope of the school district's approved LRF, the Board of Education shall make withdrawals pursuant to 8. above, except that if voter, Board of School Estimate or Capital Project Review Board, as appropriate, approval of excess costs or another capital project was obtained when the funds were deposited into the capital reserve account, the Board, by such approval, shall be deemed to have satisfied the requirement for approval of excess costs or other capital projects in 8.b. above.
- B. Maintenance Reserve Account
 1. The Board of Education shall establish, by resolution, a maintenance reserve account 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.
 2. The Board of Education shall establish and maintain the maintenance reserve account in accordance with GAAP, and such account shall be subject to annual audit pursuant to N.J.S.A. 18A:23-1 et seq.
 3. The Board of Education or Board of School Estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.



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4. The Board of Education or Board of School Estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate 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.
 - a. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations. The Board of Education or Board of School Estimate, as appropriate, shall not transfer such funds to any other line-item account.
 5. 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.
 6. 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.
 7. The Board of Education shall ensure that 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.
- C. Supplementation of Capital Reserve and Maintenance Reserve Accounts
1. The Board of Education or Board of School Estimate, as appropriate, may supplement a capital reserve account through a transfer by Board resolution of any unanticipated revenue and/or unexpended line-item appropriation amounts anticipated at year end for withdrawal in subsequent school years. Any such transfer resolution shall be adopted by the Board no earlier than June 1 and no later than June 30 of the respective school year.
 2. The Board of Education or Board of School Estimate, as appropriate, may supplement a maintenance reserve account through a transfer by Board resolution of any unanticipated revenue and/or unexpended line-item appropriation amounts anticipated at year end, for withdrawal in subsequent school years. Any such transfer resolution shall be adopted by the Board no earlier than June 1 and no later than June 30 of the respective school year.



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D. Establishment of Other Reserve Accounts

1. The Board of Education or a Board of School Estimate, as appropriate, may through the adoption of a Board resolution establish the following reserve accounts:

a. Current Expense Emergency Reserve Account.

- (1) The funds in the reserve shall be used to finance unanticipated general fund current expense costs required for T&E. For the purpose of the emergency reserve account "unanticipated" shall mean reasonably unforeseeable and shall not include additional costs caused by poor planning or error.
- (2) The account shall not exceed \$250,000 or one percent of the school district's general fund budget as certified for taxes up to a maximum of \$1,000,000, whichever is greater.
- (3) The Board of Education may appropriate funds to establish or supplement the reserve in the school district's annual budget or through a transfer by Board resolution of any unanticipated revenue and/or unexpended line-item appropriation amounts anticipated at year end. Any such transfer resolution shall be adopted by the Board no earlier than June 1 and no later than June 30 of the respective school year.
- (4) Withdrawals from the reserve shall require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent, for which the district did not receive an automatic adjustment for health care costs pursuant to N.J.A.C. 6A:23A-11.4. Total health care costs include medical insurance and prescription drug insurance costs.

b. Debt service reserve account in the debt service fund for proceeds from the sale of school district property. For the purposes of the debt service reserve account "property" shall mean land, buildings, and other property that was incidental to the sale of land or a building. The funds in the reserve shall be used by the district first to reduce the outstanding principal amount at the earliest call date or to annually reduce the debt service principal payments. The funds may be used for any outstanding debt obligation or debt obligations of the school district. The reserve shall be liquidated within the lesser of five years from its inception or the remaining term on the obligations. Any remaining balance shall be used for tax relief.



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Reserve Accounts

- c. Tuition adjustment reserve account in the general fund for up to ten percent of the estimated tuition cost in the contract year for an anticipated tuition adjustment in the third year following the contract year. In such case, the Board of Education shall:
 - (1) Establish the tuition adjustment reserve account at June 30 by Board resolution;
 - (2) Make full appropriation of the reserve for the tuition adjustment in the third year following the contract year;
 - (3) Exclude from the cap calculation the budgeted fund balance and appropriation of the tuition adjustment reserve in the third year following the contract year for such tuition adjustments; and
 - (4) Transfer to the general fund, by Board resolution, any interest earned on the investments in a tuition adjustment reserve account on an annual basis. Such transfer may be made on a more frequent basis at the discretion of the Board of Education.

- E. Reserve Accounts Recorded in Accordance with GAAP
 - 1. 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.

Adopted: 14 September 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.



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Financial Objectives

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: 11 August 2009



R 6810 **FINANCIAL OBJECTIVES**

The Board of Education recognizes its responsibility to the taxpayers of the district to be sure that public moneys expended by the school district are utilized for the furtherance of student education in a manner that will ensure full value to the taxpayers, and that adequate constraints and records are established to ensure that end.

The Board by law holds the authority to fix the budget, approve bids and pass upon each expenditure of the district.

To meet the goals of this policy, the Board requires the School Business Administrator/Board Secretary to:

1. Establish sound accounting procedures.
2. Institute effective business practices.
3. Recommend suitable office technology and equipment where necessary.
4. Review the financial operations annually and report to the Board on effectiveness and recommended improvements.

N.J.S.A. 18A:18A-1 et seq.; 19-1 et seq.; 22-1 et seq.

Issued: 11 August 2009



6820 FINANCIAL REPORTS

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 financing 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.

In the event the Board has approved a budget with an expanded coding structure, the School Business Administrator/Board Secretary shall present the financial report in two forms. One form shall use the minimum level chart of accounts established by the State Department of Education and the other shall use the expanded chart of accounts approved by this Board in accordance with Policy No. 6220.

If no line item account has encumbrances and expenditures that in total exceed the line item appropriation in violation of N.J.A.C. 6A23A-16.10(a) law, 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 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.



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Financial Reports

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 month 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: 11 August 2009

Adopted: 10 May 2011



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Audit and Comprehensive Annual Financial Report

6830 AUDIT AND COMPREHENSIVE ANNUAL FINANCIAL REPORT

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 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.

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:23-2.3; 18A:23-2.4; 18A:23-2.5; 18A:23-8
N.J.A.C. 6A:23A-4.2; 6A:23A-4.3

Adopted: 11 August 2009

Adopted: 14 December 2010



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Withholding or Recovering State Aid

6831 WITHHOLDING OR RECOVERING STATE AID

In the event the New Jersey Department of Education identifies ineffective or inefficient expenditure(s) by any school district, including, but not limited to the practices prohibited in N.J.A.C. 6A:23A-5.2 through 5.9, the Commissioner shall, except as otherwise provided in N.J.A.C. 6A:23A-5.1(h) provide the school district the opportunity to be heard as to why the amount of the ineffective or inefficient expenditure(s) shall not be withheld from State aid or refunded to the Department of Education.

The proceeding shall be instituted by an Order to Show Cause filed by the petitioner. The filing shall include a statement of factual findings along with a letter memorandum setting forth the basis for the position that the expenditure(s) was ineffective or inefficient. The respondent(s) to whom the order is directed shall file, within fifteen days, a response to the letter memorandum and an answer that meets the filing, service, and format requirements for answers as set forth in N.J.A.C. 6A:3, Controversies and Disputes. The petitioner may file a reply to the response within ten days.

Upon review of the filings, the Commissioner may decide to hear the matter directly pursuant to N.J.S.A. 52:14F-8 or refer the matter to the Office of Administrative Law. If the Commissioner decides to transmit the matter to the Office of Administrative Law, such transmission shall be done on an expedited basis. If the Commissioner is hearing the matter directly, upon receipt of the filings set forth above, or upon expiration of the time for their submission, the Commissioner shall review the total record before him or her and render a written decision. The Commissioner's decision shall include a determination of whether the expenditure was ineffective or inefficient and, if so, the amount of funds to be withheld from State aid or refunded by the district.

Nothing shall preclude the Commissioner from immediately and summarily withholding State aid, consistent with N.J.S.A. 18A:55-2, if, at any time, it is determined that the fiscal practices, actions, or expenditures of a school official, Board member, Board, or any other party under the Commissioner's jurisdiction are in violation of any statute, regulation, rule, or directive of the State Board of Education or Commissioner of Education.

N.J.A.C. 6A:23A-5.1

Adopted: 11 August 2009



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Conditions of Receiving State Aid

6832 CONDITIONS OF RECEIVING STATE AID

The school district, as a condition of receiving State Aid, will comply with the standards set forth at N.J.S.A. 18A:55-3 and the requirements set forth in N.J.A.C. 6A:23A-6 concerning nepotism, contributions to Board members and contract awards, and the internal control requirements in N.J.A.C. 6A:23A-6.

In addition, in accordance with the provisions of N.J.A.C. 6A:23A-6.1, the school district shall be required to examine, no less than once every three years, all available group options for every insurance policy held by the district, including the self-insurance plan administered by the New Jersey School Boards Association (NJSBA) Insurance Group on behalf of districts, and the district shall participate in the most cost-effective plan. This examination shall include the review of annual claims data and other experience rating information, as applicable.

The district shall also: take steps to maximize participation in the Federal Universal Service Program (E-rate) and the ACT telecommunications program offered through the New Jersey School Business Officials; participate in the Alliance for Competitive Energy Services (ACES) Program offered through NJSBA, unless the school district is able to demonstrate to the Commissioner of Education that it receives goods or services at a cost less than or equal to the cost achieved by participants of the program based on an analysis of the prior two years; and take appropriate steps to maximize the local public school district's participation in the Special Education Medicaid Initiative (SEMI) Program pursuant to N.J.A.C. 6A:23A-5.3.

The district shall refinance all outstanding debt in accordance with the provisions of N.J.S.A. 18A:24-61.1 et seq. for which a three percent net present value savings threshold is achievable. This refinance provision of N.J.A.C. 6A:23A-6.1(b)5 shall also be monitored by the Executive County Superintendent or State Monitor, if applicable, pursuant to N.J.A.C. 6A:23A-9.11.

N.J.S.A. 18A:55-3

N.J.A.C. 6A:23A-6.1

Adopted: 11 August 2009



6833 **PROFESSIONAL SERVICES PURCHASES**

Competition, transparency, and accountability are maximized when a service contract is publicly advertised, with responsive proposals judged on the basis of predetermined, merit-based evaluative criteria, and awarded based on the recommendation of a qualified evaluation committee. Such procedures promote public confidence in the contracting process and ensure that the East Orange School District (EOSD) is not overpaying for the services being procured.

A. THE POOL OF CONTRACTORS SOLICITED SHOULD BE AS EXPANSIVE AS POSSIBLE

Eligibility requirements for a vendor seeking to compete for a government service contract should be broad, limited only by concerns related to the vendor's responsibility. A responsible vendor is one "who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance." American Bar Association ("ABA") Model Procurement Code ("MPC") § 3-101(6).

Public procurement must "promote and provide for full and open competition in soliciting offers and awarding Government contracts." A larger vendor pool typically increases the quality of competition, and also pushes competing vendors to offer their services at lower costs.

B. DRAFT CLEAR AND UNAMBIGUOUS STATEMENTS OF WORK

A request for proposals ("RFP") or similar solicitation should contain a clear and detailed statement of the work to be undertaken, often referred to as a scope of work provision ("SOW"). The SOW is the first and chief opportunity for a contracting unit to provide an explanatory guide of the services it seeks. A clearly drafted description of the tasks expected of the contractor or vendor is more likely to elicit proposals, particularly proposals directly responsive to the needs of the contracting unit. Such greater competition, in turn, frequently yields lower-cost proposals.

In addition to clarity, completeness and specificity are also important in drafting the SOW. Completeness and specificity of the SOW may be enhanced by input from the specific department that will work with the contractor or vendor as well as by input from the intended beneficiaries of the service at issue. A complete and specific SOW will provide the basis for appropriate contract management and billing practices.

In addition, when procuring services it is generally advisable that a contracting unit draft an SOW that emphasizes the result to be achieved, and is less focused on detailing the process for accomplishing that goal. The focus should be more on "what" the procuring unit wishes the vendor to perform and achieve, and less about "how" it requires those services to be performed. The contracting unit's SOW should provide a



clear understanding of what “end product and functions” the contracting unit expects from the contractor.

C. JUDGE PROPOSALS ON THE BASIS OF PREDETERMINED, MERIT-BASED EVALUATIVE CRITERIA MADE KNOWN TO VENDORS BEFORE PROPOSALS ARE SUBMITTED

A contracting unit’s award of a contract for services is oftentimes determined by judging what proposal best meets the EOSD’s overall needs, where price is just one of many factors. In a situation where quality of service is important, a single-minded focus on price may well be unwarranted. Thus, selection of a vendor through competitive proposals can involve many considerations besides price, such as “technical capability, management capability, prior experience, and past performance.”⁴¹ U.S.C. § 253a(c)(1)(A); *see* FAR 15.204-5(b); N.J.S.A.18A:18A-4.4(b); N.J.S.A. 40A:11-4.4(b); N.J.A.C. 5:34-4.2.

When the EOSD procures services through such competitive proposals, however, subjectivity and favoritism are more likely to enter the evaluative process than when price is the sole factor used. Thus, in procuring services, selection and application of criteria used to evaluate competing proposals takes on special significance. In order to promote genuine competition when price is not the sole factor for award, and to promote transparency and accountability in the evaluation of competing proposals, a contracting unit should: (1) use predetermined, merit-based evaluative criteria to measure the proposals; (2) disclose those criteria in the solicitation materials; and (3) consider whether some criteria are more important than others, which may require assigning different weights to each criterion, with the percentage assigned to each preferably made known to vendors before submission of the proposals.

D. Use Predetermined, Merit-Based Evaluative Criteria

Best practices dictate that merit- based evaluation criteria should be used to set the standards for judging competing proposals for the provision of services. The specific criteria to be used varies because the attributes of prospective contractors that the procuring entity looks for will vary depending on the subject of the procurement. Evaluative criteria generally fall into four categories: (1) management criteria, (2) technical criteria, (3) cost, and (4) past experience and performance. Management criteria generally pertain to the contractor’s personnel structure, such as its proposed staffing for the service to be procured. Technical criteria analyze the approach proposed by a contractor in providing the requested service. Past experience and performance relate to a contractor’s history in performing services similar to those that are the subject of the current procurement, and how responsibly the contractor provided those services, including its adherence to performance deadlines.



Regulations promulgated by the Department of Community Affairs, Division of Local Government Services ("DLGS"), set forth model evaluative criteria, divided into technical, management, and cost standards, that the EOSD should use when evaluating proposals solicited under a competitive contracting process. *See* N.J.A.C. 5:34-4.2. The criteria can be tailored to the specific procurement at issue. Each model criterion category promulgated by DLGS posits several considerations for evaluators to guide them in their decision-making. *See* N.J.A.C. 5:34- 4.2(a)(1-3). For example, concerning the technical criteria, the contracting unit is asked to consider: (1) how well the vendor's proposal demonstrates an understanding of the scope of the work and related objectives; (2) the completeness and responsiveness of the proposal in relation to the specific RFP requirements; (3) whether the past performance of the vendor's proposed methodology has been documented; and (4) innovative techniques proposed by the vendor. *See* N.J.A.C. 5:34-4.2(a)(1)(i)(1-4).

Additional questions are listed under the management and cost-related criteria to add substance to how proposals are evaluated under these categories as well. *See* N.J.A.C. 5:34-4.2(a)(2-3). For example, concerning the cost criteria, evaluators are asked to consider not just how the cost of a given proposal compares with other proposals' costs, but specifically how its cost compares to that of proposals with similar scores in the technical and management areas. *See* N.J.A.C. 5:34-4.2(a)(3)(i)(1). Regarding the management criteria, evaluators are directed to consider a vendor's record of providing services on-time, on-budget, and in compliance with contractual obligations, and whether a vendor has adequately documented those aspects of its performance record in its proposal. *See* N.J.A.C. 5:34-4.2(a)(2)(i)(1-2).

E. Disclose Evaluative Criteria Early in the Procurement Process

Almost as important as using merit-based evaluative criteria is disclosing those criteria to prospective vendors as early as possible in the procurement process, such as in the RFP or other solicitation document. New Jersey's procurement laws require such early disclosure of the evaluative criteria in some, but not all, types of procurements.

See, e.g., N.J.S.A. 52:34-9.4; N.J.A.C. 5:34-4.3(c)(1); N.J.A.C. 17:12-2.7; N.J.A.C. 17:19-3.6(b), -3.7(b). The Department of Community Affairs instructs local contracting units using a "fair and open process" under the state's pay-to-play law that selection criteria must be "included in the document soliciting proposals." Department of Community Affairs, *Guide to the New Jersey Local Unit Pay-to-Play Law* 8 (Nov. 2005).

Even when not required by law, such disclosure represents a best practice to be followed absent a compelling reason not to do so. If something more than price will drive the award decision, best practices counsel that a contractor should know precisely those other bases by which its proposal will be evaluated against the competition.



F. Weighing of Individual Evaluative Criteria

Once evaluative criteria are determined, other considerations include (i) whether different weights should be assigned to particular criteria, and (ii) when to disclose to vendors the weight assigned to each criterion. Simply put, weighing should be used if some criteria are determined to be more important than others.

Under New Jersey's statutory competitive contracting process for local government units, if weighing of criteria is employed, the relative weights may be set forth as early as in the RFP, but no later than the time at which proposals are opened. *See* N.J.S.A. 18A:18A-4.4(b); N.J.S.A. 40A:11-4.4(b); N.J.A.C. 5:34-4.3(b).

While disclosure of the weight assigned to each evaluative criterion theoretically can occur before bid opening, at bid opening, or as late as after bid opening, best practices suggest disclosing in the RFP the weight assigned to each criterion. Disclosure of the weighing method before submission of proposals provides vendors with advanced insight as to which criteria are most important to the contracting unit, and thereby helps vendors refine their proposals. At a minimum, a solicitation for competitive proposals might state whether "all evaluation factors other than cost or price, when combined, are (1) Significantly more important than cost or price; (2) Approximately equal to cost or price; or (3) Significantly less important than cost or price."

G. THE NEED FOR AN EVALUATION COMMITTEE

While evaluation of proposals theoretically can be performed by one person, best practices favor evaluation by a group of evaluators, often referred to as an evaluation or selection committee. A committee is helpful for multiple reasons. First, in conducting an evaluation, the subjective views of an evaluator will almost inevitably have some effect on the scoring process. Using a committee prevents one person's subjective feelings about the strength or weakness of a proposal from single-handedly determining the award. In other words, there is generally greater objectivity in the award process when the power to award the contract is diffused among several persons. Use of a committee also makes it harder for persons looking to inject more blatantly inappropriate behavior into the process, such as making unlawful payments to obtain the contract or engaging in other forms of influence-peddling.

In New Jersey, state procurement laws applicable to various levels of government allow for the use of evaluation committees to award service contracts. *See* N.J.A.C. 5:34-4.3(c) (2); N.J.S.A. 52:34-10.3; N.J.A.C. 17:12-2.7(a) (1); N.J.A.C. 17:19-3.6(b),-3.7(b).



A contracting unit that uses an evaluation committee should attempt to have that committee in place before proposals are received. Early selection of the members of the committee can allow members to help develop the evaluation criteria and gain greater familiarity with the procurement, including understanding the contracting unit's goals and needs. The names of members of the evaluation committee should be documented and available to the public at the time of the contract award. *See* N.J.S.A.52:34-10.3(c); N.J.A.C. 5:34-4.3(c) (2) (i).

H. Evaluators Must be Qualified to Judge

Members of an evaluation committee must be sufficiently qualified to evaluate the strengths and weaknesses of the proposals submitted. For example, when a government unit is considering competing proposals to provide legal services, having a lawyer as a member of the evaluation team is prudent. Similarly, when procuring an audit firm, a person with an accounting or financial background should be part of the evaluation committee. Use of non-voting advisors to a selection committee may be appropriate as well. *See* N.J.A.C. 5:34-4.3(c)(iv).

New Jersey law recognizes the importance of committee members having appropriate qualifications. When an evaluation committee is used under the statutory competitive contracting system for local governments, committee members are to be "familiar with the need for . . . the services to be performed in the request for proposals." N.J.A.C. 5:34-4.3(c) (2) (i).

Even in those instances where proficiency in a given field is not statutorily required of members of an evaluation committee, the EOSD should nonetheless ensure that those selected to sit on the evaluation committee have appropriate expertise concerning the subject of the procurement. This is especially true when procurement is technologically complex, such as a procurement of telephone or internet services, or technically complex, such as contracts involving procurement of health insurance benefits.

I. Avoid Conflicts of Interest

In addition to having experience and familiarity with the subject matter of the procurement, evaluators must be truly impartial arbiters. This prohibition against any evaluation committee member having a conflict of interest is explicitly stated under some of New Jersey's procurement laws. *See, e.g.,* N.J.S.A. 52:34-10.3(a) ("[T]he members of any evaluation committee shall have no personal interest, financial or familial, in any of the contract vendors, or principals thereof, to be evaluated."); N.J.S.A. 52:13D-23(e). Potential evaluation committee members and non-voting consultants should be screened meticulously for conflicts of interest.



One such screening method entails signing a certification attesting that the evaluator or consultant knows of no financial, familial, or other potential conflicts that would inappropriately influence his or her review of competing proposals. Such conflict-of-interest attestations are required of evaluators who participate in award decisions under New Jersey's statutory competitive contracting process for local government units. See N.J.A.C. 5:34-4.3(f). Specifically, prior to evaluating proposals, each evaluator is required to sign the following certification:

I hereby certify that I have reviewed the conflict of interest standards in the Local Government Ethics Law or the School Ethics Act, as appropriate, and that I do not have a conflict of interest with respect to the evaluation of this proposal. I further certify that I am not engaged in any negotiations or arrangements for prospective employment or association with any of those submitting proposals or their parent or subsidiary organization.

J. USE A SCORING PROCESS UNDERSTANDABLE TO EVALUATORS AND VENDORS

The process of actually scoring competing proposals should be understandable to those who evaluate the proposals, explainable to vendors before and after the award process, and capable of withstanding scrutiny in the event of any bid protest. A scoring process that is not explainable by, or understandable to, those who evaluate competing proposals can prove embarrassing when a contracting unit finds itself having to defend its decision-making vendor and higher points to another.

When a committee evaluates competing proposals, each member of the committee should score each proposal and provide comments that explain the score assigned to each criterion. Requiring that a comment accompany the score forces an evaluator to articulate his or her rationale in support of that score, and also provides a record for review should the eventual award decision become the subject of a protest.

Evaluators' inability to explain scoring decisions is less likely to occur if the meaning of each criterion and the reason each criterion is part of the evaluative analysis are sufficiently explained to evaluators before judging. Guidance from the purchasing agent as to the difference between criteria, and what to look for in a proposal to determine how well the proposal meets a given measurement standard, will allow for more informed and accountable decision-making.

A brief training session for committee members may be helpful in this regard. One way to amplify evaluative criteria for committee members is to provide a short written explanation alongside each criterion, instructing evaluators on what they are to look for when measuring proposals against that criterion.



When evaluative criteria are not sufficiently defined, it can be difficult for evaluators to distinguish between them.

K. THE SCORING PROCESS AND AWARD RECOMMENDATION SHOULD BE WELL-DOCUMENTED AND RETAINED

Another means to enhance competition, transparency, and accountability in the procurement of services is to ensure that all procurement decisions are documented and that those documents are retained for an appropriate period of time. The less documentary evidence there is to explain each step of the award process, the more susceptible the process will be to claims that the contract was awarded without meaningful or appropriate deliberation.

The EOSD should thus require that every step in the evaluative process be documented through (1) scoring sheets, (2) a written record of what transpired during any permitted negotiations between vendors and procurement officials, (3) a written comparative analysis of competing proposals, and (4) a written award recommendation. *See, e.g.,* FAR 15.305(a) (“The relative strengths, deficiencies, significant weaknesses, and risks supporting proposal evaluation shall be documented in the contract file.”). Specifically, that written award recommendation should (a) explain the factors that led to the award decision, (b) offer qualitative discussion of the leading competing proposals, and (c) describe the specific characteristics of the winning vendor’s proposal that resulted in its selection over the others. *See, e.g.,* N.J.S.A. 40A:11-4.5(d); FAR 15.308. In short, an award memorandum should document how evaluative criteria were taken into consideration and explain the reasons for accepting the winning proposal.

Such documentation will ensure that the procurement process in this instance was transparent, accountable in its method of vendor selection, and defensible should a bid protest arise. Absent such transparency, the award of professional service contracts will continue to be viewed with public skepticism, and with competing vendors left to wonder why their proposal was not selected.

Records of procurement decision-making should be maintained for a predetermined period of time. While, in some instances the law may exempt evaluative analyses and scoring materials from public disclosure requirements, New Jersey law, federal law, and model procurement statutes counsel that these types of documents be maintained by a contracting unit, chiefly because the information contained therein may be needed to explain to a reviewing tribunal the rationale behind the award decision. *See* N.J.S.A. 47:3-16; FAR 4.805(a), (b)(2); MPC § 1-201. That evaluative information may be revealed to a reviewing body charged with examining the propriety and reasonableness of the award decision should provide incentive for contracting units to ensure their award decisions are carefully arrived at, only after documenting comparisons between competing proposals. The period of time for preservation of procurement materials should be set by the contracting unit, with consideration given to records retention



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schedules promulgated by New Jersey's Division of Archives and Records Management.

CONCLUSION

The EOSD should be vigilant in their efforts to ensure that all contracts funded by public dollars are appropriately solicited, properly evaluated, and transparently awarded by procurement officials. The EOSD should adhere to the best practices set forth in this policy should find itself better able to procure quality, cost-efficient services from vendors consistent with the public trust. Those vendors, in turn, will more likely find themselves competing for the award of public business on playing fields bounded by clear and understandable procurement rules, with qualified referees impartially judging the participants.

While many of the best practices set forth in this policy may seem self-evident, in most contexts current state law presents these practices as options to be pursued as opposed to mandatory procedures to be followed.

The use of these practices will serve to ensure the public is receiving the best value for its tax dollars, and will limit opportunities for unscrupulous public officials and government contractors willing to engage in unlawful contract-related activity.

APPENDIX - SUMMARY OF GUIDANCE

1. The pool of contractors solicited should be as expansive as possible.
 - Eligibility requirements for a vendor seeking to compete for a government service contract should be broad, limited only by concerns related to the vendor's responsibility. All responsible vendors should be permitted to compete.
 - A responsible vendor is one who has the capability to perform fully the contract requirements, and the integrity and reliability that will assure good faith performance.
2. Statements of work should be drafted in clear and unambiguous terms.
 - A request for proposals ("RFP") or similar solicitation should contain a clear and detailed statement of the work ("SOW") to be undertaken.
 - When a solicitation for any reason does not include or contemplate such an SOW, the contracting unit should include a clear, complete, and specific SOW in the final executed contract with the vendor.



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- It is generally advisable that a government unit draft an SOW that emphasizes the result to be achieved, and is less focused on detailing the process for accomplishing that goal.
3. Proposals should be judged on the basis of predetermined, merit-based evaluative criteria, made known to vendors before proposals are submitted.
 - Merit-based evaluation criteria should be used to set the standards for judging competing proposals for the provision of services. Evaluative criteria generally fall into four categories: (a) management criteria, (b) technical criteria, (c) cost, and (d) past experience and performance.
 - Such criteria should be disclosed to prospective vendors as early as possible in the procurement process, such as in the RFP or other solicitation document.
 - Weighing of criteria should be used if some criteria are determined to be more important than others. The weight assigned to each criterion generally should be disclosed in the RFP.
 4. The evaluative criteria should be judged by a qualified evaluation committee.
 - The committee should be in place before proposals are received.
 - Members of an evaluation committee should be sufficiently qualified to evaluate the strengths and weaknesses of the proposals submitted.
 - Potential evaluation committee members should be screened meticulously for conflicts of interest.
 5. The evaluation process should be explainable to evaluators and competing vendors, and capable of withstanding scrutiny under a protest challenge.
 - The meaning of each criterion and the reason each criterion is part of the evaluative analysis should be explained to evaluators before judging.
 - Each member of the committee should score each proposal and provide comments that explain the score assigned to each criterion.
 6. The scoring process and award recommendations should be well-documented and retained.



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- Every step in the evaluative process should be documented through (a) scoring sheets, (b) a written record of what transpired during any permitted negotiations between vendors and procurement officials, (c) a written comparative analysis of competing proposals, and (d) a written award recommendation.
- The written award recommendation should (a) explain the factors that led to the award decision, (b) offer qualitative discussion of the leading competing proposals, and (c) describe the specific characteristics of the winning vendor's proposal that resulted in its selection over the others.
- The period of time for preservation of procurement materials should be set by the contracting unit.

Adopted: 11 February 2014