

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 business office. The Board shall take appropriate action, as necessary, to maintain a balanced budget.

The Board shall ensure the accounting system provides the basis for appropriate budgetary control, and that budgetary comparison schedules are included in the appropriate financial statements and schedules for governmental funds in accordance with GAAP.

The Board shall use a common terminology and classification consistently throughout the budget, the accounts, and the financial reports of each fund, and shall adopt a chart of accounts prepared in conformity with N.J.A.C. 6A:23-2.2(g)1.

N.J.S.A. 18A:4-14; 18A:4-14.1; 18A:18A-1 et seq.;
18A:19-1 et seq.; 18A:22-7 et seq.

N.J.A.C. 6A:23-2.2 et seq.

Adopted: 26 May 2009

