

POLICY

BAYONNE BOARD OF EDUCATION

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BUDGET PREPARATION

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6220 BUDGET PREPARATION

The annual budget is the financial plan for the 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, to maintain school district facilities, and to honor continuing obligations of the district.

A proposed budget requires the critical analysis of every member of the Board during its preparation. The administration shall work with the Board to insure 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. Once the budget is adopted by the Board and approved by the County Superintendent, the Board members shall inform the community on the details of the budget.

The Board shall prepare and maintain a budget in which budgeted anticipated revenues and fund balances equal budgeted appropriations. Only those expenses reasonably required to provide a thorough and efficient educational program shall be approved for the budget. Any surplus funds remaining from the prior year's budget shall be applied against taxes to be raised locally except that up to 3% of the total budget may be retained in surplus.

The Board will submit its proposed budget to the county superintendent, in the authorized budget format, as required by law. As a minimum, the budget shall be prepared on a fund basis and shall conform to the outline as contained in Appendix A of the Uniform Minimum Chart of Accounts (Handbook 2R2) for New Jersey Public Schools. The Board may approve an expanded coding



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structure to provide additional information and allow more efficient management of district resources. Unreserved fund balance/surplus remaining from the previous school year may be appropriated when developing the next year's budget to reduce the amount of local taxes required to support the budget. Unreserved fund balance/surplus may also be appropriated during the school year for unforeseen and/or emergency expenditures. A Board requesting to exceed the permissible rate of budget increase pursuant to

N.J.S.A. 18A:7D-28 shall appropriate all available unreserved fund balance/surplus in excess of three (3) percent of the general fund budget for the budget year such a request is made.

In accordance with

N.J.S.A. 18A:7D-27.1, general fund unreserved/free balance in excess of 7.5% of the budgeted general fund appropriations for the pre budget year must be appropriated by the district in the ensuing year's annual budget.

In order to allow adequate time for the preparation and review of the proposed budget, the Board directs the School Business Administrator to present to the Board all available information associated with the budget in a timely manner. The budget should evolve primarily from the needs of the individual schools as expressed by the building principals and be compatible with approved district plans.

The budget shall be prepared in accordance with the annual budget statement and supporting documentation as prescribed by the Commissioner of Education. The budget revenue and appropriations shall be itemized as required in the budget statement and shall be readily understandable, in which shall be shown:

1. The total expenditure for each item for the preceding school year, the amount appropriated for the current school year adjusted for transfers as of February 1 of the current school year, and the amount estimated to be necessary to be appropriated for the ensuing school year, indicated separately for each item as determined by the Commissioner;



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2. The amount of the surplus account available at the beginning of the preceding school year, at the beginning of the current school year and the amount anticipated to be available for the ensuing school year;

3. The amount of revenue available for budget purposes for the preceding school year, the amount available for the current school year as of February 1 of the current school year and the amount anticipated to be available for the ensuing school year in the following categories as applicable:

a. Total to be raised by local property taxes

b. Total State aid

- (1) Foundation aid
- (2) Special education aid
- (3) At-risk aid
- (4) Bilingual aid
- (5) Other (detailed at the discretion of the Commissioner)
- (6) Transition aid

c. Total Federal aid

- (1) Elementary and Secondary Education Act of 1965
- (2) Disabled
- (3) Impact Aid
- (4) Vocational
- (5) Other

d. Other sources (detailed at the discretion of the Commissioner).

4. Transfers between current expense and capital outlay for the preceding school year, the current school year as of February 1 of that year and transfers anticipated for the ensuing school year.



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5. In the event that the total expenditure for any item of appropriation is equal to \$0.00 for: (1) the preceding school year, (2) the current school year, and (3) the amount estimated to be necessary to be appropriated for the ensuing school year, that item shall not be required to be published pursuant to N.J.S.A. 18A:22-11.

6. All budgetary and accounting systems used in the school district must be in accordance with double entry bookkeeping and Generally Accepted Accounting Principals as required in N.J.A.C.

N.J.S.A. 18A:22-7 et seq.
N.J.A.C. 6:20-2A.1 et seq.

Adopted: 28 July 1997

