

<b>CFO-99-1</b> Notice Number	<b>New Jersey Department of Community Affairs</b> Division of Local Government Services	<b>1/22/99</b> Date
<b>Local Finance Notice</b>		
Christine Todd Whitman Governor	Jane M. Kenny Commissioner	Stephen R. Sasala, II Acting Director

## Year 2000 Budget Cap Exemption

In November 1998, the Local Finance Board approved a resolution creating a one year cap exemption for municipal expenses related to ensuring computer based systems can manage the Year 2000 issue.

Specifically, the Board has approved appropriations for the "purpose of testing micro-processor based equipment and computer software and for the remediation or replacement of micro-processor based equipment and computer software that is found to fail testing for Year 2000 readiness."

The Board resolution also requires that the Chief Financial Office in each municipality that uses the exception (to be shown on Sheet 20 of the budget form and titled "Y2K Readiness") certify that the purpose of the appropriation is limited to the purpose described above. The certification is also to include a schedule itemizing the planned allocation of the appropriation. This is to assist the Director in summarizing appropriations on a state-wide basis. Another certification will be required next year to report final expenditures.

For calendar year municipalities, the exception is valid for 1999's budget. State fiscal year municipalities have several choices. If the budget has not been adopted at this time, it may be amended to include an appropriation for Fiscal 1999. If the SFY budget has been adopted, Y2K expenditures (along with the certification) may be appropriated under emergency resolution procedures and funded outside the cap in SFY 2000. Otherwise, the exception may be used in SFY 2000.

Information on the Y2K issue can be found in Local Finance Notice MC-97-7, the Y2K? OK! publication recently sent to mayors, governing body members and municipal clerks, and on the State's web site (<http://www.state.nj.us>) by clicking on the Y2K link. The Y2K page has a link to a local government site maintained by the Division.

The certification to be used for the cap exempt appropriations is on the other side of this notice.

**Stephen R. Sasala, II**

Stephen R. Sasala, II, Acting Director

Division of Local Government Services

Distribution: Municipal Chief Financial Officers

**State of New Jersey — Division of Local Government Services**

### Year 2000 Budget Cap Exception Certification

This certification is to be prepared by the Chief Financial Officer of a municipality utilizing the Local Finance Board approved cap exception for appropriations for the "purpose of testing micro-processor based equipment and computer software and for the remediation or replacement of micro-processor based equipment and computer software that is found to fail testing for Year 2000 readiness."

**Municipality:** \_\_\_\_\_ **County:** \_\_\_\_\_

**Fiscal Year for cap exception:** \_\_\_\_ CY 1999; \_\_\_\_ SFY 1999; \_\_\_\_ SFY 2000

**Amount of Appropriation:**

Salaries & Wages: \$ \_\_\_\_\_

Other Expenses: \$ \_\_\_\_\_

\_\_\_\_\_ : \$ \_\_\_\_\_

**Description of Appropriations:** Use additional sheets if necessary.

Salaries and Wages: break down and describe use of funds:

Other Expenses: for each item, show estimated amount and describe how the funds will be used. The total of the individual items must equal the total appropriations.

	Purpose	Amount
Consulting Services:		
Hardware remediation/ replacement:		
Software remediation/ replacement:		
Other:		

I, \_\_\_\_\_, Chief Financial Office of the \_\_\_\_\_ of \_\_\_\_\_, in the County of \_\_\_\_\_, hereby certify that this certification fairly and accurately represents the intention of the cap exempt appropriation for Year 2000 Readiness.

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

Cert. # \_\_\_\_\_ Date: \_\_\_\_\_

Director's Office (609) 292-6613	Local Government Research (609) 292-6110	Financial Regulation and Assistance (609) 292-4806	Local Finance Board (609) 292-4537	Local Management Services (609) 292-7842	Authority Regulation (609) 984-0132	Fax (609) 984-7388
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