

# Budget Guidelines - Appendix D-12020-21 Budget Review Checklist

**District Name:**

## Edits:

| **Reviewed** | **Edits Review Item** |
| --- | --- |
|  | The Warning Edit report has been reviewed by the county office. No further changes are needed in the budget to address these items. |

## School Funding Reform Act (SFRA) Calculations:

1. **Report of District Status**

| **Check if Reviewed** | **Report of District Status Review Item** |
| --- | --- |
|  | If district budgeted Adequacy Spending is “Above Expected Local Levy” – explanation(s) provided appear reasonable, and the sample ballot and notice of public hearing contain the statutory additional wording. |

1. **Tax Levy Cap Calculation** (No data entry required on this form – amounts flow from SFRA reports below)

| **Used in Budget (Enter Yes or No)** | **Check if Reviewed** | **Tax Levy Cap Calculation Review Item** |
| --- | --- | --- |
|  |  | **Line (A) *Adjusted Prebudget Year Tax Levy and Enrollment Adjustment***If the District is requesting to calculate the Enrollment Adjustment using a weight of 1.0 (full enrollment growth) rather than the phased-in rates, the district has submitted the required information listed in the Budget Guidelines section III.D.i.3. |
|  |  | **Line (B)** ***Adjustment for Increase in Health Care Costs**** Fiscal Year 2019-20 budgeted costs are net of employee withholding;
* Fiscal Year 2020-21 budgeted costs are net of employee withholding;
* Amounts for dental and vision costs recorded in object 270 accounts have been entered on lines A2 and B2;
* Required supporting details listed in section III.D.i.4 of the Budget Guidelines have been submitted with the budget.
 |
|  |  | **Line (C)** ***Adjustment for Deferred Pension Contribution* (No data entry required on this form):*** Amounts budgeted are less than the total deferred PERS payments for the district, as reported in the 2019 Annual Report by the Actuary for the PERS system on the Department of Treasury website at [Division of Pensions and Benefits Financial Reports](https://www.state.nj.us/treasury/pensions/financial-reports.shtml).
* Any amounts budgeted in general fund for deferred PERS payments are supported by documentation as listed in section III.D.i.5 of the Budget Guidelines.
 |
|  |  | **Line (D)** **& (E) *Adjustment for Responsibility Shifted From/To Another District or Entity*:** Supporting details are provided per Budget Guidelines section III.D.i.6 and appear reasonable. |
|  |  | **Line (F) *Use of Banked Cap*:*** The district has fully used all 2020-21 cap adjustments prior to requesting use of banked cap.
* The district has submitted a board resolution containing the following:

(1) the need for and amount of the unused spending authority to be included in the base budget; and(2) a statement that said need must be completed by the end of the budget year and cannot be deferred or incrementally completed over a longer period of time.* The amount of banked cap requested is only the amount used to increase the tax levy. (The tax levy on revenue line 100 agrees to line I of the tax levy cap report.)
* The earliest year of available banked cap is utilized first.
 |

1. **Minimum Tax Levy** - no data entry is required on this form.
2. **Separate Proposals -** see separate form for ECS/ECBO review.

## Revenues:

| **Check if Reviewed** | **Revenues Review Item** |
| --- | --- |
|  | **Lines 300, 350, 380 & 390**: Miscellaneous general fund revenues appear reasonable vs. prior years’ trends (i.e.: CAFR, Exh. J-5). ***(See Support Doc - Unusual Revenues and Appropriations)*** |
|  | **Lines 520, 745, 765, 825**: Other restricted and unrestricted revenues appear reasonable and are properly classified and recorded. |
|  | **Line 540 SEMI: *(See SEMI Screen)**** The district has budgeted the appropriate amount of SEMI revenue (at least 90% of revenue projection) or has submitted and received approval by the ECS for either a waiver from participating in the program or to use an alternate revenue projection.
* Waiver request, if applicable, has been reviewed by the county office.
 |
|  | **Grants and Entitlements** (i.e. IDEA/Title I): Budgeted amounts appear reasonable. |
|  | If Capital Reserve withdrawal is budgeted on lines 600 or 620, then ***Capital Projects and Reserve Screen*** was completed for project details. |

## Detailed Recapitulation of Balances (see detailed instructions in section III.C.iii in the budget guidelines):

| **Used in Budget (enter Yes or No)** | **Check if Reviewed** | **Recap Review Item** |
| --- | --- | --- |
|  |  | **Unassigned*** If line 3 "budgeted withdrawal from unassigned", column 2019-20, is greater than Line 3 from the 2019-20 original budget certified for taxes, the additional amount has been previously approved by the county office pursuant to *N.J.A.C.* 6A:23A-13.3(c). (Transfers of surplus or unbudgeted/underbudgeted revenue before April 1st must be only for emergent circumstances and must be approved. This line could include 2018-19 additional state aid used in 2019-20 which was to be approved in plans submitted to the county office.)
* The amount on line 5 "additional balance to be appropriated after February 1", column 2019-20, has been reviewed, appears reasonable and contains amounts which are approved/approvable under *N.J.A.C.* 6A:23A‑13.3.
* The amount on line 6 "additional balance anticipated after February 1", column 2019-20, has been reviewed and is a reasonable estimate of surplus that will be generated from February 1 to end of year. (Review to CAFR historical trend.)
* The amount on line 7 “anticipated June 2020 transfers to reserves” has been reviewed. The district intends to make this transfer in June 2020.
 |
|  |  | **Restricted - Legal Reserve*** Audited excess surplus on line 14, required to be budgeted in 2019-20 or 2020-21, has been reviewed and compared to the CAFR. (Note: These amounts are preloaded from entries in the district’s Audsum. No data entry is allowed on this line in budget.) (i.e.: 6/30/19 audited excess surplus; unspent funds from separate proposals, other legal reserves).
* Those districts reflecting legal reserve balances at June 30, 2021 (line 19 in 2020-21 column) have provided sufficient support for those amounts and their propriety has been challenged by the ECS.
 |
|  |  | **Restricted - Capital Reserve*** Column 2020-21, Line 29 – If an amount is entered, then the description of the designation entered in the “comments” column has been reviewed.
* Column 2020-21, Line 30 – If the district has a Capital Reserve balance, then interest is budgeted.
* Column 2020-21, Lines 31 & 32 – If budgeting a withdrawal from capital reserve for excess costs or other capital projects which would not otherwise be eligible for the state share, the district has included a separate statement of purpose in the advertised budget.
 |
|  |  | **Restricted - Tuition Reserve*** The amount budgeted for withdrawal from tuition reserve in 2019-20 on lines 50 and 51 is the amount that was deposited into the tuition reserve in June 2018. Line 50 contains the amount that was used to fund tuition adjustments (tuition adjustments column on supporting calculation worksheet for tuition) and line 51 contains the amount in excess of what was used to fund tuition adjustments.
* The amount budgeted for withdrawal from tuition reserve in 2020-21 on lines 50 and 51 is the amount that was deposited into the tuition reserve in June 2019. Line 50 contains the amount to be used to fund tuition adjustments (tuition adjustment column on supporting calculation worksheet for tuition) and line 51 contains the amount in excess of what is to be used to fund tuition adjustments.
 |
|  |  | **Restricted - Current Expense Emergency Reserve*** If withdrawing from Emergency Reserve in 2020-21, the withdrawal is necessary to meet an increase in total health care costs greater than four percent, or to finance school security improvements. (Note: These are the only permissible withdrawals for the budget year column.)
 |

## Appropriations:

| **Check if Reviewed** | **Appropriations Review Item** |
| --- | --- |
|  | Review significant changes and explanations (+/- 4%) for reasonableness; and for possible reductions, reallocations, and/or efficiency improvements. |
|  | The state facilities tuition amount on appropriations line 29140 agrees with the amount on the State Facilities Tuition notice. |
|  | The assessment for SDA funding amount on line 76210 agrees with the amount on the State Aid notice. |
|  | Benefits lines:* The amount budgeted for PERS contribution on Line 71060 appears reasonable.
* Health insurance amounts are for eligible employees only; separated employees and non-eligible dependents have been removed from the policy.
 |
|  | Salary lines: Estimated increase for expired/expiring contracts has been budgeted in the salary accounts, if applicable. |
|  | Charter Schools: Those districts with resident students included in the projected attendance figures for charter schools have properly budgeted the transfer of general fund support on line 84000. |
|  | If a district has entered into a lease purchase agreement or bond financing agreement to fund equipment under an Energy Savings Improvement Program (ESIP), appropriations have been budgeted properly on lines 49100, 49300, and 49320. |
|  | Appropriations have been provided for an adult high school program when the district has reported adult high school enrollment on the Application for State School Aid. |
|  | Appropriations have been provided for hardware/device purchases and maintenance, software purchases, acquisition of broadband internet service technologies, and personnel resources necessary to successfully implement state assessment tests. |
|  | Consideration has been given to purchasing broadband internet services through a broadband consortium. |
|  | Transfer to Enterprise Fund to Cover Deficit on line 72000 has been reviewed. |

## Preschool Education Aid and Preschool Education Expansion Aid:

| Check if Reviewed | **PEA and PEEA Review Item** |
| --- | --- |
|  | PEA and PEEA, if provided, is budgeted properly. The amount budgeted agrees to the budget approved by the Division of Early Childhood Education (if available at the time of budget preparation). |
|  | If total funding for Preschool (General Fund contributions, prior year carryover, tuition, and current year PEA and PEEA) is greater than the budgeted appropriations for preschool, then the amount budgeted for current year PEA and PEEA has been reduced from the State Aid allocation so that budget is balanced (Flows to Line 760 on the Revenue screen). |
|  | Prior Year PEA and PEEA Carryover is budgeted if anticipated as available in the CAFR at June 30, 2019 (the total amount of audited June 30, 2019 carryover (line (8) of the E-2 schedule of the June 30, 2019 CAFR), plus any anticipated carryover from 2019-20. (Flows to Line 755 on the Revenue screen) |
|  | Kindergarten costs appear to be fully budgeted in the General Fund. |
|  | If district has mainstreamed students, a transfer from general fund to PEA and PEEA has been budgeted (both 2019-20 and 2020-21). |

## Capital Projects and Reserve:

| **Check if Reviewed** | **Capital Projects and Reserve Review Item** |
| --- | --- |
|  | A detailed budget for each project is included, which includes only construction, remodeling, etc., but no equipment. |
|  | Justification for the project(s) inclusion in budget year is included. |
|  | A narrative is included for each intended use of Capital Reserve funds, and it appears reasonable. |
|  | Audited fund balance in Capital Projects Fund has been reviewed for possible transfer to general fund after completion of projects. *(See guidelines for explanations of options under various types of projects.)* |
|  | ROD Grants: If a ROD Grant was approved, the district has budgeted the local share. |

## Appropriation of Excess Surplus:

| **Check if Reviewed** | **Appropriation of Excess Surplus Review Item** |
| --- | --- |
|  | The amount entered on Line A1 "Federal Impact Aid Adjustment" is not greater than the total of revenue line 530 in 2019-20 less any balance transferred to the Impact Aid Reserves in 2019-20. |
|  | If an amount is entered on Line A2 "Reserved Fund Balance Beyond 2020-21", then the Board Resolution and rationale has been reviewed and is reasonable. |
|  | Line A3 "School Bus Advertising Fee Adjustment" contains the reserve for shortage if at least 50 percent of school bus advertising revenue was not used to offset the fuel costs of providing pupil transportation services. |
|  | If an amount in entered on Line A4 “Other DOE Approved Adjustments”, the amount has been reviewed. For 2020-21 budget, no amounts are allowed to be entered on this line. |

## Supporting Documentation:

1. **Statement of Priorities and New Jersey Student Learning Standards -** see separate form for ECS/Educational Specialist Review
2. **Contract Information for Select Staff:**

| **Check if Reviewed** | **Contract Information for Select Staff Review Item** |
| --- | --- |
|  | ***Teacher Contract Screen:*** Amounts are entered for teacher contracted benefits. |
|  | ***Employee List Screen:*** Superintendent, Assistant superintendent(s), School business administrator, and any employee with an annual salary that exceeds $75,000 who is not a member of a collective bargaining unit is listed, and entries agree to contract.* Shared Services: If the district is the employer district, then the total amount of the contract is reported. If the district is the receiver of shared services, then the line is completed as “shared service” for the applicable job title, and the total amount paid under the agreement is reported in the “additional information” column.
 |
|  | ***Employee Benefit Detail Screen:*** Amounts entered are appropriate and agree to the contract. If $0 is entered in Post-Employment Benefits, an appropriate description is entered. |

1. **Per Pupil Costs:**

| **Check if Reviewed** | **Per Pupil Costs Review Item** |
| --- | --- |
|  | The Per Pupil Costs report has been reviewed. Upward or downward trends in detail categories are reasonable. |

1. **Administrative Cost Limit:**

| **Check if Reviewed** | **Administrative Cost Limit Review Item** |
| --- | --- |
|  | **2020-21 Per Pupil Administrative Cost is within the allowable limit** * The lower of the: (1) the district’s adjusted, as of February 1, per pupil administrative cost for 2019-20 or; (2) the 2020-21 per pupil administrative cost limit for the district’s region, inflated (regional limit).

If district is under the regional limit and submits a request to exceed the district’s adjusted February 1st per pupil administrative cost for the current year by up to 2.5% or the CPI (1.70%), whichever is greater, the required justification/documentation is provided and justifies the increase. |

1. **Employee Benefits Summary:**

| **Check if Reviewed** | **Employee Benefits Review Item** |
| --- | --- |
|  | Amounts budgeted for benefits are reasonable. |

1. **Shared Services:**

| **Check if Reviewed** | **Shared Services Review Item** |
| --- | --- |
|  | The shared services screen has been completed and lists all the district's shared services arrangements. |

1. **Unusual Revenues and Appropriations:**

| **Check if Reviewed** | **Unusual Revenue and Appropriations Review Item** |
| --- | --- |
|  | Review and follow-up/inquire on any unusual items noted, if necessary. |
|  | Only unusual revenues and appropriations have been entered on this report. “Unusual” refers to those items that are not used or earned in the normal course of operating a school district. |

1. **Equipment**

| **Check if Reviewed** | **Equipment Review Item** |
| --- | --- |
|  | Review descriptions of, and justifications for inclusion, to ensure that only equipment is listed, and amounts appear reasonable and necessary. Refer to [Chart of Accounts](https://www.state.nj.us/education/finance/fp/af/coa/) Appendix B for criteria distinguishing supplies from equipment, including capitalization threshold of $2,000. |

## Other Areas of Review:

1. **Enrollment Projections:**

| **Check if Reviewed** | **Enrollment Projections Review Item** |
| --- | --- |
|  | District projection appears comparable to the prior year(s) and latest ASSA report(s). |
|  | Adequate supporting documentation/justification is provided for projected District enrollment. For projected growth that is outside of the growth range projected by DOE based on historic ASSA counts, an explanation has been included in column L. |

1. **Position Control Roster:**

| **Check if Reviewed** | **Position Control Roster Review Item** |
| --- | --- |
|  | At a minimum, such roster must:(1) be organized by GAAP code;(2) show all staff and their respective salary costs, include base pay, stipends, OT, etc. charged to each respective GAAP accounts;(3) show vacancies from February 1 and whether to be filled in FYE20; and(4) show new hires for FYE21. |
|  | Total salaries by account in PCR reconcile to budgeted amounts for salaries (substitute salaries may be included in PCR or accounted for separately).  |

1. **Estimated Tuition Calculations:**

| **Check if Reviewed** | **Estimated Tuition Review Item** |
| --- | --- |
|  | On the "Rates for All Programs" report, if the district has entered ADE amounts on the line "ADE Entered by District" these enrollments have been reviewed and approved. |

1. **Secondary Bond Market Continuing Disclosure Requirements (LFN 2014-9):**

| **Check if Reviewed** | **Secondary Bond Market Disclosure Review Item** |
| --- | --- |
|  | If the district has issued bonds:* Appropriate steps are being taken to ensure compliance with continuing disclosure requirements.
* Fund 40 appropriations include all payments due on outstanding bond issues.
* The district has applied for Debt Service Aid for new bond issues.
 |

1. **A4F:**

| **Check if Reviewed** | **A4F Review Item** |
| --- | --- |
|  | The district has recorded taxes as split year or fiscal year, as appropriate. |
|  | Amounts recorded as adjustments on lines 6 and 7 appear reasonable. |
|  | If taxes are raised on a split year, the “Balance of levy from 2019-20 to be raised in 2020” (current year column 3) agrees with the signed A4F from the 2019-20 school year “Amount Deferred to 2020 Levy” (prior year column 6) |
|  | For regional, merged or consolidated districts, the percentage allocations to each municipality have been reviewed with the state aid printout or consolidated district approved percentages. |

**Reviewing ECBO Signature:**

**Reviewing ECS Signature:**

**Date:**

## Notes: