

## CHAPTER 177

**AN ACT** concerning certain bill payment certification to boards of education and local government bodies and amending various parts of the New Jersey Statutes and P.L.1982, c.196.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. N.J.S.18A:19-1 is amended to read as follows:

Expenditures of funds on warrant only; requisites; exceptions.

18A:19-1. Except as provided in subsection b. of N.J.S.18A:19-4, the money or funds of the board of education in the custody of the secretary or treasurer of school moneys shall be expended by the secretary or treasurer of school moneys by, and only by, warrants, each made payable to the order of the person entitled to receive the amount thereof and specifying the object for which the warrant is issued, signed by the president and secretary of the board of education and the chief school administrator or by the treasurer of school moneys, as appropriate to the district,

- (a) After audit of the account or demand to be paid, by the secretary, and after approval by the board of education, or
- (b) In accordance with payrolls duly certified as provided by this title, or
- (c) For debt service, or
- (d) When provided by resolution of the board of education, after audit of the account or demand to be paid, and approval by a person designated by the board of education.

2. N.J.S.18A:19-2 is amended to read as follows:

Requirements for payment of claims; audit of; claims in general.

18A:19-2. Except as provided in subsection b. of N.J.S.18A:19-4, a claim or demand against a school district shall not be paid by the secretary or treasurer of school moneys, as appropriate, unless the claim or demand is authorized by law and the rules of the board of education of the district, is fully itemized and verified, has been duly audited as required by law, has been presented to, and approved by, the board of education at a meeting thereof, or presented to, and approved by, a person designated by the board of education for that purpose, and the amount required to pay the claim or demand is available for that purpose.

3. N.J.S.18A:19-3 is amended to read as follows:

Verification of claims, demands.

18A:19-3. Except as provided in subsection b. of N.J.S.18A:19-4, all claims and demands, that equal or exceed 15 percent of the bid threshold amount established pursuant to N.J.S.18A:18A-3, except for payrolls and debt service, shall be verified by affidavit, or by a signed declaration in writing, contained therein or annexed thereto, to the effect that the claims and demands are correct in all particulars, that the articles have been furnished or the services rendered as stated therein, and that no bonus has been given or received on account thereof.

4. N.J.S.18A:19-4 is amended to read as follows:

Audit of claims; warrants for payments; exemptions.

18A:19-4. a. All claims and demands against the board of education, except those which are to be paid from funds derived from athletic events or other activities of pupil organizations, shall, unless otherwise provided by resolution of the board of education, be examined, audited, and certified in writing by the secretary and presented by the secretary to the board of education for its approval at a regularly called meeting, and if found to be correct, shall be ordered paid by the board of education, whereupon the secretary and the president of the board of education and the chief school administrator shall issue and sign a warrant in payment therefor. In a district which has a treasurer of school moneys, the secretary thereupon shall forward the warrant to the treasurer of school moneys.

b. The provisions of subsection a. of this section shall not apply to payments made by a board of education for the provision of:

(1) telecommunications or basic cable service provided by a telecommunications or cable television company under the jurisdiction of the Board of Public Utilities;

(2) electric, gas, water, or sewer utility service provided by a public utility, as that term is defined pursuant to R.S.48:2-13, that is regulated by the Board of Public Utilities pursuant to Title 48 of the Revised Statutes; or

(3) a service that is provided under a contract between a public utility, as that term is defined pursuant to R.S.48:2-13, and a board of education that is approved by the Board of Public Utilities under which rates for service are controlled by the terms of the contract.

5. Section 4 of P.L.1982, c.196 (C.18A:19-4.1) is amended to read as follows:

C.18A:19-4.1 Account or demand; audit; approval.

4. A board of education may, by resolution, designate a person in addition to the secretary to audit any account and demand to be paid pursuant to subsection a. of N.J.S.18A:19-4, and provide for approval of the account or demand by that person or the secretary prior to presentation to the board of education. Any account or demand approval shall be presented to the board of education at their next meeting for ratification. The board of education may establish a maximum dollar amount for which payment may be authorized without prior board of education approval.

6. N.J.S.40A:5-16 is amended to read as follows:

Local unit, requirements for paying out moneys.

40A:5-16. The governing body of any local unit shall not pay out any of its moneys:

a. unless the person claiming or receiving payment first presents a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that the bill or demand is correct. The governing body may, by resolution, require an affidavit in lieu of the certification, and the clerk or disbursing officer of the local unit may take the affidavit without cost; and

b. unless the payment carries a written or electronic certification of some officer or duly designated employee of the local unit having knowledge of the facts that the goods have been received by, or the services rendered to, the local unit.

c. Notwithstanding the provisions of subsection a. of this section, upon adoption by the Local Finance Board of rules adopted pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) that provide for procedures to be followed by local units and under those circumstances deemed appropriate by the Local Finance Board, a local unit shall be permitted to pay out its moneys without requiring a certification of the party

claiming payment as otherwise required by subsection a. of this section. Those circumstances may include, but shall not be limited to:

(1) when payment to vendors is required in advance of the delivery of certain materials or services that cannot be obtained from any other source at comparable prices;

(2) when ordering, billing, and payment transactions for goods or services are made through a computerized electronic transaction; or

(3) when the claim or demand is less than a threshold set by the Local Finance Board and the certification is not readily obtainable by the contracting unit; but the exceptions shall not include reimbursement of employee expenses or payment for personal services.

d. The provisions of subsection a. of this section shall not apply to payments made by a governing body of a local unit for the provision of:

(1) telecommunications or basic cable service provided by a telecommunications or cable television company under the jurisdiction of the Board of Public Utilities;

(2) electric, gas, water, or sewer utility service provided by a public utility, as that term is defined pursuant to R.S.48:2-13, that is regulated by the Board of Public Utilities pursuant to Title 48 of the Revised Statutes; or

(3) a service that is provided under a contract between a public utility, as that term is defined pursuant to R.S.48:2-13, and a governing body that is approved by the Board of Public Utilities under which rates for service are controlled by the terms of the contract.

7. This act shall take effect immediately, but shall remain inoperative for 60 days following the date of enactment.

Approved January 11, 2016.