

Legal References

	Monitored
X	Mandated
X	Other

EXPENSES AND REIMBURSEMENT

Mandated:

Travel and Related Expenses

Assembly bill A5 was signed into law as P.L. 2007, c. 53, on March 15, 2007, effective immediately. Section 15 of A5 concerns travel expenditures for “training and seminars,” for “conventions and conferences,” for “regular school district business,” and for “retreats.” It does not refer to student field trips.

The intent of this legislation is to strictly prohibit extravagant travel expenditures and to make boards “fiscally prudent” in their policies and reimbursements for expenditures. All boards must have travel policies that conform to the legislation, to monitor and restrict reimbursement of travel and related expenses. For example, travel advances are banned.

P.L. 2007, c. 53 applies to both Abbott districts and other districts, including charter schools. Since P.L. 2007, c. 53 applies to all districts, NJSBA has a single unified travel policy. As reflected in the expense reimbursement policy #9250, NJDOE may however continue to impose a few additional requirements for Abbott districts, most notably pre-approval, one month in advance of travel, by NJDOE for travel expenditures greater than \$2500 or for two or more district employees. The provisions of the legislation are modeled upon the pre-existing Abbott district regulations, but are now applied to all school districts.

The policy allows board members and employees to be reimbursed for travel and related expenses that are directly related to the school district professional plan; that are limited in scope, educationally necessary, and fiscally prudent. Travel shall be critical to the instructional needs of the district or further the efficient operation of the district. Reimbursement is limited to the guidelines established by the Department of Treasury in the NJOMB circular letter 06-02 (found at <http://www.state.nj.us/infobank/circular/cir0602b.htm>) and OMB circular A-87 (found at http://www.whitehouse.gov/omb/circular/a087/a87_2004.html). Any violation of these established maximum travel expenditures as set forth in the above policy may be subject to reduction of state aid in an amount equal to the excess expenditure. There are additional personal “treble damages” penalties for unauthorized travel.

EXPENSES (Continued)

Other Reasons:

It is advisable to have a policy stating that board members or charter school board of trustees receive no payment for their services and that the board must pre-approve travel and must approve reimbursement of any cash laid out by board members on board business.

Recommendation:

Boards should adopt a policy addressing reimbursement of board members that is consistent with P.L. 2007, c. 53. It is anticipated that NJDOE will adopt regulations to implement the legislation, to modify or replace obsolete pre-existing regulations (cited below).

Boards may also wish to include a statement that reimbursement covers only the board member's expenses.

<u>Legal References:</u>	<u>N.J.S.A.</u> 18A:2-1	Power to effectuate action
	<u>N.J.S.A.</u> 18A:4-23 and 24	Supervision of schools; enforcement of rules Determining efficiency of schools; report to state board
	<u>N.J.S.A.</u> 18A:11-1	General mandatory powers and duties
	<u>N.J.S.A.</u> 18A:12-4	Compensation of members
	<u>N.J.S.A.</u> 18A:12-24 and 24.1	School Ethics Act Code of Ethics
	<u>N.J.S.A.</u> 18A:54-20	Powers of board (county vocational schools)
	<u>N.J.A.C.</u> 6A:10A-8.3	Travel and Related Expense Reimbursement (Abbott Districts)
	<u>N.J.A.C.</u> 6A:23B-1.1	<u>et. seq.</u> Travel and Related Expense Reimbursement (Non-Abbott Districts)
	<u>P.L.</u> 2005, c.132	Appropriations Act
	<u>P.L.</u> 2007, c. 52	A5, provides for various school district accountability measures

See also: In the Matter of Anthony Esgro, Luis Perez, Clifford Meeks and Frank Speziali, Glassboro Board of Education, CO7-97, March 30, 1998

Possible

<u>Cross References:</u>	3571	Financial reports
	*9200	Orientation and training of board members
	*9270	Conflict of interest

*Indicates policy is included in the Critical Policy Reference Manual.