

EMERGENCY APPROPRIATIONS

As permitted under NJS40A:4-46, local governments may make emergency appropriations, after adoption of the annual budget, for purposes unforeseen at the time of adoption. The total amount of an emergency appropriation shall be fully funded as a deferred charge in the succeeding fiscal year's budget, except if the appropriation is to be funded through the authorization of bonds pursuant to 40A:2-3.

If the emergency appropriation does not exceed 3% of the total of current and utility operating appropriations funded in the budget adopted for that year, the appropriation may be raised as a deferred charge outside CAP with Division approval, pursuant to 40A:4-48. If the emergency appropriation, together with all other emergency appropriations made during the year, exceeds the 3%, the governing body, in its resolution, must request permission from the Director to exceed the limitation. Should the Director approve the emergency, the amount exceeding the 3% shall be raised as a deferred charge inside CAP in the next year's budget.

The Division reviews emergency appropriations to ensure that it meets the intent of the law. If the Division determines that the local government adopts an emergency as a result of purposefully under funding a budgetary appropriation, the local unit may be required to raise the emergency as a deferred charge inside CAP. Also, local governments must adopt the resolution upon occurrence of the emergency and submit the required documentation to the Division within 5 days of adoption. The Division may not approve an outside CAP appropriation if emergencies are not prepared and submitted timely.

The following documents are to be filed with the Division of Local Government Services for approval of an emergency appropriation made pursuant to NJS 40A:4-46:

- Two (2) certified copies of the resolution authorizing the emergency appropriation
- An affidavit of the Chief Financial Officer pursuant to NJS 40A:4-52

Emergency appropriations for down payments on capital improvements must be supported by an accounting of the Capital Improvement Fund for the period starting the beginning of the budget year up to the date of the introduction of the related ordinance.

It is permitted, but not mandatory, that an emergency authorization be financed by the issuance of notes. It may also be financed from available surplus funds pursuant to NJS 40A:4-50.

Where emergency notes are issued, they shall be designated as such, be renewed from time to time, and shall mature not later than the last day of the succeeding budget year. The Local Budget Law provides the form, etc. with respect to these notes under NJS 40A:4-51.

EMERGENCY APPROPRIATION – 3% CALCULATION

<u>Current Fund</u>	<u>Prior year</u>	<u>Current Year</u>
Total Operations including Contingent <i>(Budget Sheet 17)</i>	\$6,500,740	6,787,300
Statutory Expenditures <i>(Budget Sheet 19)</i>	680,197	566,695
Total Operations Excluded From CAPS <i>(Budget 25)</i>	<u>257,213</u>	<u>292,031</u>
Totals	\$7,438,150	7,646,026

Utility Fund

Total Operating Expenditures	2,714,829
Statutory Expenditures	<u>84,000</u>
Totals	\$2,798,829

For CAP Purposes:

For Current Fund Emergency Appropriation: Use **prior** year appropriations of **current fund** only. Example: \$7,438,150 X 3% = \$223,145

For Expenditure Purposes:

For Utility Fund Emergency Appropriation: Use **current** year total budget for both **Current Fund** and **Utility Fund**

Example: \$7,646,026 + \$2,798,829 = \$10,444,855 X 3% = \$313,346

FORM OF EMERGENCY RESOLUTION – NJS 40A:4-48

(Under 3% limitation)

WHEREAS, an emergency has arisen with respect to STATE REASON IN FULL and, no adequate provision was made in the 20__ budget for the aforesaid purpose, and NJS 40A:4-46 provides for the creation on an emergency appropriation for the purpose mentioned above, and

WHEREAS, the total amount of the emergency appropriations created, including the appropriation to be created by this resolution is \$_____ and three (3) percent of the total operating appropriations in the budget for 20__ is \$_____ and

WHEREAS, the foregoing appropriation together with prior appropriations does not exceed three (3) percent of the total operating appropriations (including utility operation appropriations) in the budget for 20__,

NOW, THEREFORE, BE IT RESOLVED, (by not less than 2/3 of all governing body members affirmatively concurring) that in accordance with NJS 40A:4-48:

1. An emergency appropriation is here by made for INSERT TITLE OF APPROPRIATION AS TO SALARIES AND WAGES AND/OR OTHER EXPENSES in the amount of \$_____
2. That said emergency appropriation shall be provided for in full in the 20__ budget, and is requested to be excluded from CAPS, pursuant to NJS 40A:4-53.3c(1)
3. That an Emergency Note not in excess of the above amount be authorized pursuant to NJS 40A:4-51
4. That such note shall be executed by STATE NAME AND TITLE OF CHIEF FINANCIAL OFFICER and by STATE NAME AND TITLE OF "SUCH OTHER OFFICER"
5. That such note shall be date _____ 20__, may be renewed from time to time, and such note and any renewals shall be payable on or before December 31, 20__. INSERT FURTHER DETAIL, I.E. PLACE OF PAYMENT, ETC.
6. That two (2) certified copies of this resolution be filed with the Director of the Division of Local Government Services

FOOTNOTE: OMIT 3, 4 AND 5 IF EMERGENCY NOTES ARE NOT AUTHORIZED

**CERTIFICATION FOR EMERGENCY APPROPRIATION FORM
CHIEF FINANCIAL OFFICER**

This statement must be prepared in duplicate by the chief financial officer and filed with the municipal clerk **prior to the adoption** of the emergency resolution. The duplicate must be filed with the Director of the Division of Local Government Services together with the emergency resolution.

Please answer all questions:

Purpose of emergency appropriation: _____

Document fully the circumstances for
The emergency resolution
Statements such as “insufficient appropriation” or
“roads need repair” are not acceptable and
delay the review of the emergency

Date of occurrence: _____

Have any contracts been awarded or purchase orders placed in connection with this emergency appropriation? _____

Date _____ Chief Financial
Officer _____
Municipality _____

**FORM OF EMERGENCY RESOLUTION REQUIRING
APPROVAL OF THE DIRECTOR OF THE DIVISION OF
LOCAL GOVERNMENT SERVICES – NJS 40A:4-49**

(Over 3% limitation)

WHEREAS, an emergency has arisen with respect to STATE REASON IN FULL
And, no adequate provision was made in the 20__ budget for the aforesaid purpose, and NJS 40A:4-46 provides for the creation on an emergency appropriation for the purpose mentioned above, and

WHEREAS, the total amount of the emergency appropriations created, including the appropriation to be created by this resolution is \$ _____ and three (3) percent of the total operating appropriations in the budget for 20__ is \$ _____ and

WHEREAS, the foregoing appropriation together with prior appropriations exceeds three (3) percent of the total operating appropriations (including utility operation appropriations) in the budget for 20__,

NOW, THEREFORE, BE IT RESOLVED, (by not less than 2/3 of all governing body members affirmatively concurring) that in accordance with NJS 40A:4-49, petition be made to the Director of the Division of Local Government Services for permission to exceed the statutory limitation of 3 percent for the creation of an appropriation for the purpose set forth in the preamble in accordance with the following:

1. An emergency appropriation is here by made for INSERT TITLE OF APPROPRIATION AS TO SALARIES AND WAGES AND/OR OTHER EXPENSES in the amount of \$ _____
2. That said emergency appropriation shall be provided for in full in the 20__ budget, within CAPS, pursuant to NJS 40A:4-53.3c(1)
3. That an Emergency Note not in excess of the above amount be authorized pursuant to NJS 40A:4-51
4. That such note shall be executed by STATE NAME AND TITLE OF CHIEF FINANCIAL OFFICER and by STATE NAME AND TITLE OF "SUCH OTHER OFFICER"
5. That such note shall be date _____ 20__, may be renewed from time to time, and such note and any renewals shall be payable on or before December 31, 20__. INSERT FURTHER DETAIL, I.E. PLACE OF PAYMENT, ETC.
6. That the statement required by the Local Finance Board has been filed with the Clerk and a copy transmitted to the Director of the Division of Local Government Services
7. That two (2) certified copies of this resolution be filed with the Director of the Division of Local Government Services

FOOTNOTE: OMIT 3, 4 AND 5 IF EMERGENCY NOTES ARE NOT AUTHORIZED