§ 2522. General budgetary controls; lapse of appropriations. 1. A separate account shall be kept of each appropriation. Each such account shall show the amount of the appropriation, the encumbrances against such account, the amounts expended therefrom and the unencumbered balance.

2. No expenditure, or contract which in any manner involves the expenditure of money or the incurring of any pecuniary liability, shall be made or entered into by the school district, or officer or employee thereof, unless an amount has been appropriated and is available therefor or has been authorized to be borrowed pursuant to the local finance law. This subdivision shall not prevent the making of a contract or lease for a term exceeding one year when authorized by law; nor shall this subdivision require a school district which has entered into a contract or lease for a term exceeding one year to pay during the current fiscal year any amounts larger than those which become due and owing during that year under the terms of such lease or contract.

3. Appropriations, to the extent that they shall not have been expended or encumbered, shall lapse at the close of the fiscal year for which made, except that appropriations for capital improvements shall continue in force until the purposes for which they were made shall have been accomplished or abandoned.