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 [X] Local  
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### FISCAL MANAGEMENT GOALS

The Board of Education recognizes excellent fiscal planning as a key factor in attaining the district's educational goals and priorities. The Board seeks to engage in thorough advance planning of budgets and to devise expenditures which achieve the greatest educational returns given the district's available resources.

The Board's establishment of sound fiscal management policies are based on the following tenets.

1. All laws and regulations governing the use of public funds shall be strictly adhered to.
2. All district monies shall be expended in an efficient and judicious manner, bring the greatest benefit to the district.
3. Funds for which the district has no immediate need shall be legally invested where they can bring the greatest return.
4. All receipts and expenditures shall be recorded fully and in the proper manner.
5. The district shall seek and receive all state and federal funds for which it qualifies.
6. All funds, including cash in buildings, extra-classroom account funds, gifts, and bequests shall be provided maximum protection from misappropriation.
7. A formal process shall be developed linking fiscal resources and program priorities to the budget.
8. The budget shall reflect the views of administrators, teachers, students, and taxpayers in translating the educational needs and aspirations of the community in a composite financial plan.
9. To the extent possible, program evaluation shall be used to assess the effectiveness of all educational programs provided to district students, and future appropriations shall be adjusted accordingly.

Adoption date:10/2/12

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### BUDGET PLANNING

The Superintendent of Schools, with the assistance of the District Treasurer, shall be responsible for preparation of the budget. This shall include developing a budget calendar in accordance with regulation 6110-R, and adhering to that calendar. The budget calendar shall be approved by the Board of Education in advance of the preparation of the district's annual budget.

The budget shall be designed to reflect the Board's objectives for the education of the children of the district. It shall be carefully organized and planned to provide adequate accounting for each program expenditure, understanding of the financial needs of anticipated program developments, and be within the financial limitations of the district. To assist in budget and long-range planning, ongoing studies of the district's educational programs will include estimates of the fiscal implications of each program.

The budget for the ensuing school year shall be thoroughly reviewed by the Board before its presentation to the voters for final adoption.

Cross-ref: 2260, Citizens Advisory Committees

Ref: Education Law §§1608(2)-(4); 2002(1); 2003(1); 2004(1); 2022(2); 2601-a  
*Fiscal Management* (NYSSBA, 1997)

Adoption date: 10/2/12

### **BUDGET PLANNING REGULATION**

The budget calendar prepared by the Superintendent of Schools shall include:

- a schedule which sets forth all important meetings and dates, including deadlines for budget proposals from within the district;
- commencement dates and deadlines for certain budgetary tasks such as the estimation of all revenues and income expected to be received by the district; and
- events such as the preliminary dates for the Board of Education's consideration of the tentative budget.

As part of the budget planning process, the Superintendent and District Treasurer will evaluate:

- the educational philosophy, goals and objectives of the district and their modification where required;
- the district education program and support systems such as transportation and business affairs;
- census and enrollment projections;
- the condition of the physical plant for operation and maintenance needs and new construction;
- debt service schedules; and
- estimated revenue from sources other than the property tax, such as state and federal aid.

Adoption date: 10/2/12

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### BUDGET TRANSFERS

The transfer of funds between and within functional unit appropriations of the General Fund is commonly required during the school year. The Superintendent of Schools, based on the recommendation of the District Treasurer, and in accordance with the Regulations of the Commissioner of Education, is authorized to make budget transfers, not to exceed \$5,000.00 between line item accounts. The Superintendent of Schools will present all transfers in excess of \$5,000.00 to the Board at its next meeting for approval.

Each time the Superintendent of Schools approves a transfer of funds, such transfer will be reviewed by the Board at the next regular meeting.

Ref: Education Law §1718  
8 NYCRR §170.2(1)

Adoption date: 10/2/12

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### INVESTMENTS

The objectives of the district's investment policy are to safeguard district funds and to minimize risk, to ensure that investments mature when cash is required to finance operations and to ensure a competitive rate of return. In accordance with this policy, the Treasurer is authorized to invest and/or deposit all funds, including proceeds of obligations and reserve funds, in time-deposit accounts, certificates of deposit, short-term government securities, repurchase agreements or other investment instruments permitted by law, subject to the investment regulations approved by the Board of Education.

To the extent feasible, investments and deposits shall be made in and through local or regional financial institutions. Concentration of investments in a single financial institution should be avoided. Diversification of investments and deposits is encouraged. Investments may be made either directly from an authorized trading partner, or by participation in a cooperative investment agreement with other authorized municipal corporations pursuant to General Municipal Law Article 5-G and in accordance with General Municipal Law Article 3-A.

This policy will be annually reviewed by the Board and may be amended from time to time in accordance with the provisions of section 39 of the General Municipal Law.

Ref: Education Law §§1604-a; 1723-a; 3651; 3652  
 Local Finance Law §§24.00, 25.00, 165.00  
 General Municipal Law §§6(d), 6(j); 6 (l-n, p, r); 10; 11; 39

Adoption date: 10/2/12

Amended date: 4/19/18

## INVESTMENTS REGULATION

### Authorized Investments

- A. The Treasurer is authorized to invest all available district funds, including proceeds of obligations and Reserve Funds, in the following types of investment instruments:

Savings Accounts or Money Market Accounts of designated banks;

Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State;

Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State; Obligations of New York State; Obligations of the United States Government (U.S. Treasury Bills and Notes);

Repurchase Agreements involving the purchase and sale of direct obligations of the United States;

- B. All funds may be invested in Revenue Anticipation Notes or Tax Anticipation Notes of other school districts and municipalities, with the approval of the State Comptroller.
- C. Only Reserve Funds established by section 6-d, 6-j, 6-l, 6-m and 6-n of the General Municipal Law may be invested in obligations of the school district.

### Direct or Cooperative Investments

Investments may be made either directly from an authorized trading partner, or by participation in a cooperative investment agreement.

- A. Cooperative investment agreements may be made with certain municipal corporations: any New York State county (outside New York City), city, town, village, BOCES, fire district, or school district, pursuant to General Municipal Law Article 5-G.
- B. Cooperative investment agreements, pursuant to General Municipal Law Article 3-A, must address: the governing board of the cooperative, lead participant, proportional interest, the cooperative's investment policy, contributions and distributions, appointment of administrative expenses and costs, methodology to determine participants' interest, determination of market value at least monthly, portfolio interest rate testing at least monthly statements, notification of distribution deferrals or unanticipated

losses or material adverse events, annual independent audit, annual information statements, annual investment reports, and governing board rating disclosure.

### Conditions

All direct investments made pursuant to this investment policy will comply with the following conditions:

#### A. Collateral

1. Savings accounts, money market accounts, time deposit accounts and certificates of deposit will be fully secured by insurance of the Federal Deposit Insurance Corporation or by obligations of New York State, the United States, New York State school districts and federal agencies whose principal and interest are guaranteed by the United States. The market value of collateral will at all times exceed the principal amount of the certificate of deposit. Collateral will be monitored no less frequently than on a monthly basis.
2. Collateral will not be required with respect to the direct purchase of obligations of New York State, the United States and federal agencies, the principal and interest of which are guaranteed by the United States Government.

#### B. Delivery of Securities

1. Payment of funds may only be made upon receipt of collateral or other acceptable form of security, or upon the delivery of government obligations whether such obligations are purchased outright, or pursuant to a repurchase agreement. Written confirmation of delivery shall be obtained from the custodial bank.
2. Every Repurchase Agreement will make payment to the seller contingent upon the seller's delivery of obligations of the United States to the Custodial Bank designated by the school district, which shall not be the repurchase, or in the case of a book-entry transaction, when the obligations of the United States are credited to the Custodian's transaction, when the obligations of the United States are credited to the Custodian's Federal Reserve account. The seller will not be entitled to substitute securities. Repurchase agreements shall be for periods of 30 days or less. The Custodial Bank shall confirm all transactions in writing to insure that the school district's ownership of the securities is properly reflected in the records of the Custodial Bank.

C. Written Contracts

1. Written contracts are required for certificates of deposit and custodial undertakings and Repurchase Agreements. With respect to the purchase of direct obligations of U.S., New York State, or other governmental entities in which monies may be invested, the interests of the school district will be adequately protected by conditioning payment on the physical delivery of purchased securities to the school district or custodian, or in the case of book-entry transactions, on the crediting of purchased securities to the Custodian's Federal Reserve System account. All purchases will be confirmed promptly in writing to the school district.
2. The following written contracts are required:
  - a. Written agreements will be required for the purchase of all certificates of deposit.
  - b. A written contract will be required with the Custodial Bank(s).
  - c. Written contracts shall be required for all Repurchase Agreements. Only credit-worthy banks and primary reporting dealers shall be qualified to enter into a Repurchase Agreement with the school district.

The written contract will stipulate that only obligations of the United States may be purchased and that the school district shall make payment upon delivery of the securities or the appropriate book-entry of the purchased securities. No specific repurchase agreement will be entered into unless a master repurchase agreement has been executed between the school district and the trading partners. While the term of the master repurchase agreement may be for a reasonable length of time, a specific repurchase agreement will not exceed thirty (30) days.

D. Designation of Custodial Bank

1. The Board will designate a commercial bank or trust company authorized to do business in the State of New York to act as Custodial Bank of the school district's investments. However, securities may not be purchased through a Repurchase Agreement with the Custodial Bank.
2. When purchasing eligible securities, the seller will be required to transfer the securities to the district's Custodial Bank.



E. Selection of Financial Institutions

1. The Treasurer will periodically monitor, to the extent practical but not less than annually, the financial strength, credit-worthiness, experience, size and any other criteria of importance to the district, of all institutions and trading partners through which the district's investments are made.
2. Investments in time deposits and certificates of deposit are to be made only with commercial banks or trust companies, as permitted by law.

F. Operations, Audit, and Reporting

1. The Treasurer or designee will authorize the purchase and sale of all securities and execute contracts for investments and deposits on behalf of the school district. Oral directions concerning the purchase or sale of securities will be confirmed in writing. The school district will pay for purchased securities upon the simultaneous delivery or book-entry thereof.
2. The school district will encourage the purchase and sale of securities through a competitive process involving telephone solicitation for at least three quotations.
3. Monthly investment reports will be furnished to the Board.

Adoption date: 10/2/12

Amended date: 4/19/18

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### FUND BALANCE

Fund balance measures the net financial resources available to finance expenditures within current or future periods. The District's Unassigned General Fund Balance will be maintained to provide the District with financial stability and a margin of safety to fund unanticipated contingent expenditures that may occur unexpectedly during the fiscal year. The Unassigned General Fund Balance used for these purposes may only be appropriated by resolution of the Board of Trustees unless voter approval is required.

Fund balance classification will be reported by the District in accordance with accounting standards issued by the Governmental Accounting Standards Board (GASB.)

Any portion of Fund Balance may be applied or transferred for a specific purpose either by voter approval if required by law or by formal action of the Board of Trustees if voter approval is not required. Amendments or modification to the applied or transferred fund balance must also be approved by formal action of the Board of Trustees.

The Board of Trustees shall delegate the authority to assign fund balance, for encumbrance purposes, to the Treasurer/School Business Official or Superintendent of Schools to sign purchase orders.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves), the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or Board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

Adopted: 5/15/18

Amended: 6/14/18

**Fund Balance Regulation:  
Establishment of Reserves**

Reserve funds (essentially a legally authorized savings account designated for a specific purpose) are an important component in planning for future projects, acquisitions, and other lawful purposes. The Sagaponack Common School District (CSD) may establish and maintain reserve funds in accordance with New York State laws, Commissioner's Regulations, and the rules or opinions issued by the Office of the New York State Comptroller. Sagaponack CSD shall comply with the reporting requirements of Article 3 of the General Municipal Law of the State of New York and the Governmental Accounting Standards Board (GASB) issued GASB Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Any and all Sagaponack CSD reserve funds shall be properly established and maintained to promote the goals of creating an open, transparent, and accountable use of public funds. The Sagaponack CSD will authorize all payments or transfers into a reserve fund by resolution. The Sagaponack CSD may engage independent experts and professionals, including, but not limited to, auditors, accountants, and other financial and legal counsel to monitor all reserve fund activity and prepare any and all reports that the Board may require.

**Periodic Review and Annual Report:**

An annual report of all reserve funds will be prepared and submitted to the Board of Trustees by the District Treasurer or designee.

The Board shall utilize the information in the annual report to make necessary decisions to adequately maintain and manage the Sagaponack CSD reserve fund balances while mindful of its role and responsibility as a fiduciary of public funds.

**Reserves Established by the Sagaponack CSD to Date:**

**Employee Benefits Accrued Liability-(General Municipal Law Section 6-p)**

**Creation** – June 2015

**Purpose and Funding Method** – This reserve may only be used to pay for unused accumulated leave time contractually provided to certain groups of employees, normally upon retirement. This typically includes payment for unused sick and vacation pay. This reserve has been funded by annual budgetary appropriations and excess fund balance. The reserve may also be funded by transfers from other reserve funds as permitted by law, and such other funds as the school board may legally appropriate.

**Use and Monitoring of Reserve** – This reserve may be used when an employee separates from the District and payment of accumulated leave is required and not available in the general fund. These transactions flow through the budget via a budget revision with the offsetting revenue coming from the reserve. The Treasurer/Business Official will recommend to the Superintendent and the Board

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of Trustees when reserve funds should be used. The Board of Trustees will be aware of the use of the reserve. The Treasurer/Business Official will be the primary monitor of the reserve and will share information annually with the Superintendent and the Board of Trustees.

**Funding Goal** – This reserve should be funded at 100% of the accrued liability for unused accumulated leave time.

### **Workers' Compensation Reserve – (General Municipal Law Section 6-j)**

**Creation** – November 2016

**Purpose and Funding Method** – This reserve is used to pay for any potential excess workers compensation claims. This reserve was funded from excess fund balance. The reserve may also be funded by annual budgetary appropriations, transfers from other reserve funds as permitted by law, and such other funds as the school board may legally appropriate.

**Use and Monitoring of Reserve** – This reserve may be used by the District if any unexpected workers compensation claims occur. The Board of Trustees will be aware of the use of the reserve. The Treasurer/Business Official will be the primary monitor of the reserve and will share information annually with the Superintendent and the Board of Trustees.

**Funding Goal** – This reserve will not exceed \$50,000.

### **Unemployment Reserve – (General Municipal Law Section 6-m)**

**Creation** – November 2016

**Purpose and Funding Method** – This reserve is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants. This reserve has been funded by excess fund balance. The reserve may also be funded by annual budgetary appropriations, transfers from other reserve funds as permitted by law, and such other funds as the school board may legally appropriate.

**Use and Monitoring of Reserve** – This reserve may be used by the District when it is billed Unemployment costs by the State Unemployment Insurance Fund. The Board of Trustees will be aware of the use of the reserve. The Treasurer/Business Official will be the primary monitor of the reserve and will share information annually with the Superintendent and the Board of Trustees.

**Funding Goal** – This reserve will not exceed \$50,000.

### **Repair Reserve – (General Municipal Law Section 6-d)**

**Creation** – Spring of 2007

**Purpose and Funding Method** - To pay for certain repairs to capital improvements or equipment. The type of repairs must not recur annually or at shorter intervals.

There are no referendum requirements for the establishment of a repair reserve fund and or for expenditures from the fund. The reserve may be funded by budgetary appropriations, revenues that are not required by law to be paid into any other fund or account (e.g., transfers from unexpended balances of existing appropriations, or excess fund balance).

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**Use and Monitoring of Reserve** - A resolution appropriating moneys from a repair reserve fund is subject to a public hearing and at least five days must elapse between the publication of the notice of hearing and the date specified for the hearing. In an emergency, moneys in a repair reserve fund may be expended without giving notice and without holding a public hearing. To make such an emergency expenditure, the governing board must pass a resolution approved by at least a two thirds vote. In addition, at least one-half of the expenditure must be repaid in the next fiscal year and the balance repaid by the end of the fiscal year after that.

**Funding Goal** – The reserve is currently authorized not to exceed \$300,000.

### **Insurance Reserve – (General Municipal Law Section 6-n)**

**Creation** – November 2016

**Purpose and Funding Method** - To fund certain uninsured losses, claims, actions, or judgments for which the local government is authorized or required to purchase or maintain insurance, with a number of exceptions. An insurance reserve fund may also be used to pay for expert or professional services in connection with the investigation, adjustment, or settlement of claims, actions, or judgments. An insurance reserve may not be used to pay for uninsured losses, claims, actions, or judgments which are itemized in the Comptroller's Reserve Manual under Insurance Reserves. This reserve was funded from excess fund balance. The reserve may also be funded by annual budgetary appropriations, transfers from other reserve funds as permitted by law, and such other funds as the school board may legally appropriate.

**Use and Monitoring of Reserve** – This reserve may be used by the District if any uninsured losses, claims, actions, or judgments occur. The Board of Education will be aware of the use of the reserve. The Treasurer/Business Official will be the primary monitor of the reserve and will share information annually with the Superintendent and the Board of Trustees.

**Funding Goal** – This reserve will not exceed \$33,000

### **Unassigned Fund Balance**

**Creation** – Unassigned fund balance at the end of a fiscal year cannot, by law, exceed four percent of the subsequent years voter approved operating budget.

**Purpose and Funding Method** – The funds in unassigned Fund Balance are unrestricted as to how they may be used at the direction of the Board of Trustees. These funds have been accumulated from unspent operating budget over many years.

**Use and Monitoring** – These funds are for emergencies, unanticipated and unforeseen expenses, revenue shortfalls, or one-time expenses that cannot be handled either in the budget or with available revenues. The Treasurer/Business Official will be the primary monitor of this reserve and will share information annually with the Superintendent and the Board of Trustees.

**Funding Goal** – While the law states that four percent of the General Fund operating budget is the maximum, the Board of Trustees, through experience, believes that due to the small size of the District's operating budget, that amount would not be fiscally responsible for what may be needed to address unforeseen expenditures. Therefore, the Board of Trustees sets a goal for its fund balance not

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to exceed \$300,000. If the Unassigned Fund Balance exceeds the \$300,000, the Board of Trustees will evaluate the current needs that may be beyond the normal operating budget and any one time expenditures that may need to be reserved for. The review and reasons will be documented in the minutes. Any amounts not deemed to be needed in excess of the \$300,000 will be scheduled to be returned to the taxpayers.

### **References:**

- NYS Education Law §3653
- NYS General Municipal Law, Article 3
- Governmental Accounting Standards Board (GASB) issued GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*
- Administrative Regulation 4444R.1 - Reserve Funds

Adopted: 5/15/18

Amended: 6/14/18

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### GIFTS AND GRANTS

Only the Board of Education may accept for the school district any bequest or gift or money, property or goods.

The Board reserves the right to refuse to accept any gift which does not contribute towards the achievement of the district's goals or the ownership of which would tend to deplete the resources of the district.

Any gift accepted by the Board shall become the property of the district, may not be returned without the approval of the Board, and is subject to the same controls and regulations as are other properties of the district.

The Board will attempt to honor the intent of the donor in its use of the gift, but reserves the right to use any gift it accepts in the best interest of the district's educational program.

It shall be the policy of the district to accept a gift, provided it is made within the statutory authority granted to school districts and has received the approval of the Board.

In granting or withholding its consent, the Board will review the following factors:

1. The terms of the gift must identify:
  - a. the subject of the gift
  - b. the purpose of the gift
  - c. the beneficiary or beneficiaries if any
  - d. all conditions or restrictions that may apply.
2. The gift must not benefit a particular or named individual or individuals.
3. If the purpose of the gift is an award to a single student, the determination of the recipient of such award shall be made on the basis that all students shall have an equal opportunity to qualify for it and shall not be denied its receipt on the basis of race, religion, sex, or disability.

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4. If the gift is in trust, the obligation of the investment and reinvestment of the principal shall be clearly specified and the application of the income or investment proceeds shall be clearly set forth.
5. No gift or trust will be accepted by the Board unless:
  - a. it is in support of and a benefit to all or to a particular public school in the district, or
  - b. it is for a purpose for which the school district could legally expend its own funds, or
  - c. it is for the purpose of awarding scholarships to students graduating from the district.

Any gift rejected by the Board shall be returned to the donor or his/her estate within 60 days together with a statement indicating the reasons for the rejection of such gift.

Ref: Education Law §1709(12)

Adoption date: 10/2/12



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**AUTHORIZED SIGNATURES**

The Board of Education authorizes the signature on checks issued against all accounts of the school district to be that of the Treasurer or, in his/her absence, the Deputy Treasurer. The Deputy Treasurer has authority to sign the health insurance check. Any checks that exceed \$10,000 requires a second signature from a Board Member.

The Treasurer shall maintain a log of checks signed and shall verify the sequence of check numbers that are used. The signing of blank checks is expressly forbidden.

Contracts authorized by Board resolution shall be signed by the Board President or in his/her absence the Vice-President, unless a different signatory is identified in the Board resolution. Purchase orders for goods and/or services identified in the various budget codes of the school district budget may be executed by the Purchasing Agent responsible for the procurement of such goods and/or services.

The Board authorizes the payment in advance of audit of claims for all public utility services, postage, freight/express charges, and other time sensitive payments in accordance with law.

Ref: Education Law §§1604  
8 NYCRR §§170.1(c)(d); 172

Adoption date: 10/2/12

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## FISCAL ACCOUNTING AND REPORTING

The Board of Education insists on clear, complete, and detailed accounting of all financial transactions for which the Board is held accountable.

### Accounting and Reporting Systems

The system of accounts will conform to the Uniform System of Accounts for School Districts. The accounting system will yield information necessary for the Board to make policy decisions.

Proposed expenditures will be budgeted under and the actual expenditures will be charged to categories that most accurately describe the purpose for which monies are to be spent.

The Board directs the Treasurer to keep it informed of the financial status of the district through monthly cash reconciliation and budget status reports and annual fiscal reports. The Treasurer should highlight any deviation in actual fiscal conditions from planned fiscal conditions and offer recommendations to the Board to remedy the situation. The Treasurer will prepare and submit for review, to the Board and Commissioner of Education such reports are prescribed by law. These shall be filed with appropriate governmental bodies as required under law or regulation. The district will cooperate with governmental agencies and research organizations as required by law for data concerning the fiscal operations of the district.

### Independent/External Audits

If the State Comptroller does not conduct an audit within five years time, the District will consider the hiring of an independent auditor to conduct an audit of said District.

The Superintendent is hereby directed to respond to all audit findings and recommendations. Such response is to include a statement of the corrective actions taken or proposed to be taken, or if action is not taken or proposed, an explanation of reasons, as well as a statement on the status of corrective actions taken on findings or recommendations contained in any previous report of examination or external audit, or any management letter for which a response was required.

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The Superintendent shall also ensure that the provisions contained in the General Municipal Law in regard to audit reports are followed.

Cross-ref: 1120, School District Records

Ref: Education Law §§1610; 2116-a; 2117  
General Municipal Law §§33; 34  
8 NYCRR §170.1

Adoption date: 10/2/12

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### CLAIMS AUDIT FUNCTION

The Board of Education will perform the claims audit function for the district.

The claims audit function formally examines, allows or rejects all accounts, charges, claims or demands against the school district. The auditing process should determine:

1. that the proposed payment is for a valid and legal purpose;
2. that the obligation was incurred by an authorized district official;
3. that the items for which payment is claimed were in fact received or, in the case of services, that they were actually rendered;
4. that the obligation does not exceed the available appropriation; and
5. that the submitted voucher is in proper form, mathematically correct, does not include previously paid charges and is in agreement with the purchase order or contract upon which it is based.

Ref: Education Law §§1604(35)  
8 NYCRR §170.2  
*Matter of Levy*, 22 EDR 550 (1983)

Adoption date: 10/2/12

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### **INTERNAL/EXTERNAL AUDITS**

Education Law requires school districts in New York State to undergo both an annual external audit by an independent certified public accountant approved by the Board and to maintain an internal audit function that identifies and assesses risks in the District's fiscal operations and to insure that appropriate internal controls are in place.

It is noted in Education Law, that school districts that employ less than eight teachers, expend less than five million dollars annually, and have fewer than three hundred enrolled students in the previous school year are exempt from both the external and the internal audit function.

Based on the District's enrollment, the size of the faculty and the District's expenditure history, the Board of Trustees acknowledges that the District does not presently undergo an annual external audit nor does it have an internal audit function in place.

The Board of Trustees, on an annual basis, will review the requirements necessary for both the internal and external audits and will plan accordingly.

Adoption date: 12/11/12

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### PETTY CASH ACCOUNTS

A \$250.00 petty cash fund shall be established for the school building for the purchase of materials, supplies or services under conditions requiring immediate payment. The amount of individual reimbursement from the fund will not exceed fifty dollars (\$50.00) unless authorized by the Superintendent of Schools and/or District Treasurer. The Board of Education shall appoint a custodian for the petty cash fund who shall administer and be responsible for such fund.

To ensure that the fund is properly managed, the following guidelines shall be followed:

1. Receipts and cash-on-hand must always total the authorized fund amount. All disbursements from the fund are to be supported by receipted bills or other evidence documenting the expenditure.
2. Payments may be made from petty cash for materials, supplies, or services requiring immediate payment. Sales tax on purchases will not be paid by the school district from petty cash funds.

The district shall reimburse uses of petty cash funds up to the extent of expenditures, with appropriate documentary support. The Purchasing Agent or Head Teacher shall sign off on all uses of petty cash funds requested by others. The Treasurer shall reimburse the petty cash fund when necessary.

Cross-ref: 6700, Purchasing  
Ref: Education Law §§1604(26)  
8 NYCRR §170.4

Adoption date: 10/2/12

**PETTY CASH ACCOUNTS REGULATION**

The custodian appointed for the petty cash fund will be responsible for the following method of record keeping:

1. deposits to the petty cash account will be made in amounts which shall not exceed payments made in cash from the fund;
2. payments made from the fund will be indicated by receipts, receipted bills or other evidence of payments in form available for audit;
3. disbursements will be acknowledged by the signature of the individual receiving payment;
4. each disbursement will be properly budget coded prior to the disbursement of funds; and
5. a request to replenish the petty cash fund will be accompanied by a summary sheet, signed by the custodian responsible for the fund, with all expenditures properly accounted.

The custodian will disburse petty cash only for payment for materials, supplies and services, only when payment is required upon delivery.

Adoption date: 10/2/12

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## PURCHASING

The Board of Trustees views purchasing as serving the educational program by providing necessary supplies, equipment and related services.

It is the goal of the Board to purchase competitively, without prejudice or favoritism, and to seek the maximum educational value for every dollar expended. Competitive bids or quotations shall be solicited in connection with purchases pursuant to law. The General Municipal Law requires that purchase contracts for materials, equipment and supplies involving an estimated annual expenditure exceeding \$20,000 and public work contracts involving an expenditure of more than \$35,000 will be awarded only after responsible bids have been received in response to a public advertisement soliciting formal bids. Purchases of the same commodity cannot be artificially divided for the purpose of avoiding the threshold. Similar procurements to be made in a fiscal year will be grouped together for the purpose of determining whether a particular item must be bid.

The district's purchasing activity will strive to meet the following objectives:

1. to effectively supply all staff units in the school system with needed materials, supplies, and contracted services;
2. to obtain materials, supplies and contracted services at the lowest prices possible consistent with the quality and standards needed as determined by the Purchasing Agent in conformance with state law and regulation and in cooperation with the requisitioning authority. The educational and physical welfare of the students is the foremost consideration in making any purchase;
3. to ensure that all purchases fall within the framework of budgetary limitations and that they are consistent with the educational goals and programs of the district;
4. to maintain an appropriate and comprehensive accounting and reporting system to record and document all purchasing transactions; and
5. to ensure, through the use of proper internal controls, that loss and/or diversion of district property is prevented.



Opportunities shall be provided to all responsible suppliers to do business with the school district. Suppliers whose place of business is situated within the district may be given preferential consideration only when bids or quotations on an item or service are identical as to price, quality and other factors. Purchases may be made through available cooperative BOCES bids, state contracts of the Office of General Services or county contracts whenever such purchases are in the best interests of the district. In addition, the district will make purchases from correctional institutions and severely disabled persons through charitable or non-profit-making agencies, as provided by law.

It is the district's responsibility to review each "piggybacking" contract corresponding to a proposed purchase, upon the advice of counsel as necessary, to determine whether the original contract does not conflict with state law or regulation, and meet the following requirements:

1. The contract must have been let to the United States, or any agency thereof, any state, or any other political subdivision or district therein;
2. The contract must have been made available for use by other governmental entities; including New York State local governments;
3. The contract must have been let to the lowest responsible bidder or on the basis of best value, in a manner consistent with General Municipal Law §103. Those main elements are: (a) public solicitation of bids or offers; (b) secure or confidential bids or offers; (c) lowest responsible bidder, or responsible offeror of best value, which optimizes quality, cost and efficiency.

In accordance with law, the district shall give a preference in the purchase of instructional materials to vendors who agree to provide materials in alternative formats. The term "alternative format" shall mean any medium or format for the presentation of instructional materials, other than a traditional print textbook, that is needed as an accommodation for a disabled student enrolled in the district (or program of a BOCES), including but not limited to Braille, large print, open and closed captioned, audio, or an electronic file in a format compatible with alternative format conversion software that is appropriate to meet the needs of the individual student.

The Board is also aware of the need to reduce exposure of students and staff to potentially harmful chemicals and substances used in cleaning and maintenance. In accordance with law, regulation and guidelines set forth by the Office of General Services (OGS), the district will purchase and utilize environmentally sensitive cleaning and maintenance products in its facilities whenever feasible. Cleansers purchased must, first and foremost, be effective so that the district may continue to purchase non-green products as necessary. Environmentally sensitive cleaning and maintenance products will be procured in accordance with standard purchasing procedures as outlined in this policy and regulation.

In order to ensure that the district avails itself of advantageous purchasing opportunities, the Board authorizes the Purchasing Agent to represent the district in applying for federal programs designed to discount prices for goods and services. As with all purchasing activity, appropriate documentation of the application and purchase through any federal program will be maintained by the business office.

### Competitive Bidding

Purchase contracts and public works contracts subject to competitive bidding will be awarded to the lowest responsible bidder, however, the Board authorizes that purchase contracts may be awarded on the basis of best value, as defined in State Finance Law §163. Other exceptions to competitive bidding are outlined below.

In addition, the Board authorizes the receipt of sealed bids for purchase contracts in electronic format, pursuant to the provisions of General Municipal Law §103(1) which addresses proper documentation, authentication, security, and confidentiality of electronic bids.

The district shall comply with the requirements of General Municipal Law §103-g, which prohibits, with few exceptions, competitive bidding contracts with entities that invest significantly in the Iranian energy sector, as outlined in the accompanying regulation.

### Exceptions to Competitive Bidding

Competitive bidding, even if the dollar value of the purchase meets the threshold established above, is not required in the following circumstances:

1. emergencies where time is a crucial factor;
2. procurements for which there is no possibility of competition (sole source items); or
3. professional services that require special skill or training (see policy 6741 for guidance on purchasing professional services).
4. where the district is purchasing through (or is "piggybacking" onto) the contract of another government entity, where the original contract complies with the requirements of New York State law for competitive bidding.

Purchasing when Competitive Bidding Not Required

Goods and services which are not required by law to be procured by the district through competitive bidding will be procured in a manner so as to ensure the prudent and economical use of public monies, in the best interests of the taxpayers, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances, and to guard against favoritism, improvidence, extravagance, fraud and corruption.

Alternative proposals or quotations will be secured by requests for proposals, written or verbal quotations or any other appropriate method of procurement, except as permitted by state law for procurements:

1. under a county contract;
2. under a state contract;
3. under a federal contract;
4. under a contract of another political subdivision;
5. of articles manufactured in state correctional institutions; or
6. from agencies for the blind and severely disabled.

"Piggybacking" onto the contract of other governmental agencies is permitted where the original contract is in conformance with the goals of this section.

The district will provide justification and documentation of any contract awarded to an offer or other than the lowest responsible dollar offer or, setting forth the reasons why such award is in the best interests of the district and otherwise furthers the purposes of section 104-b of the General Municipal Law.

General Purchasing Provisions

The Superintendent of Schools, with the assistance of the Purchasing Agent, shall be responsible for the establishment and implementation of the procedures and standard forms for use in all purchasing and related activities in the district. Such procedures shall comply with all applicable laws and regulations of the state and the Commissioner of Education.

No Board member, officer or employee of the school district shall have an interest in any contract entered into by the Board or the district, as provided in Article 18 of the General Municipal Law.

Comments will be solicited from those staff members involved in the procurement process before enactment of the district's policies regarding purchasing and from time to time thereafter. The policies must then be adopted by Board resolution. All district policies regarding the procurement processes will be reviewed by the Board at least annually.

The unintentional failure to fully comply with the provisions of section 104-b of the General Municipal Law or the district's policies regarding procurement will not be grounds to void action taken nor give rise to a cause of action against the district or any officer or employee of the district.

Cross-ref: 6710, Purchasing Authority  
6741, Contracting for Professional Services

Ref: Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111-195)  
Education Law §§305(14); 409-i; 1604(29-a); 1709(4-a)(9)(14)(22); 2503(7-a); 2554(7-a)  
General Municipal Law §§102; 103; 103-g; 104; 104-b; 109-a; 800 et seq.  
State Finance Law §§97-g(3), (4), (5); 163; 163-b; 165-a  
County Law §408-a(2)

Adoption date: 10/2/12  
Amended date: 7/11/18

## PURCHASING REGULATION

The following sets forth the procedures for the procurement of goods and services by the district:

### I. Definitions

Best value: optimizing quality, cost and efficiency. The basis for best value shall reflect, whenever possible, objective and quantifiable analysis, and may also take into consideration small businesses or certified minority- or women-owned businesses as defined in State Finance Law §163.

Purchase Contract: a contract involving the acquisition of commodities, materials, supplies or equipment

Public Work Contract: a contract involving labor or both materials and labor for a project such as construction.

### II. General Municipal Law

The General Municipal Law requires that purchase contracts for materials, equipment and supplies involving an estimated annual expenditure exceeding \$20,000 and public work contracts involving an expenditure of more than \$35,000 will be awarded only after responsible bids have been received in response to a public advertisement soliciting formal bids. Similar procurements to be made in a fiscal year will be grouped together for the purpose of determining whether a particular item must be bid.

### III. Competitive Bidding Required

#### A. Method of Determining Whether Procurement is Subject to Competitive Bidding

1. The district will first determine if the proposed procurement is a purchase contract or a contract for public work.
2. If the procurement is either a purchase contract or a contract for public work, the district will then determine whether the amount of the procurement is above the applicable monetary threshold as set forth above.
3. The district will also determine whether any exceptions to the competitive bidding requirements (as set forth below) exist.

4. All advertised bids shall include the following statement required by General Municipal Law 103-g: “By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to paragraph (b) of subdivision 3 of section 165-a, part of the Iran Divestment Act of the state finance law.”

B. Contract Combining Professional Services and Purchase

In the event that a contract combines the provision of professional services and a purchase, the district, in determining the appropriate monetary threshold criteria to apply to the contract, will determine whether the professional service or the purchase is the predominant part of the transaction.

C. Opening and Recording Bids; Awarding Contracts

The District Clerk will be authorized to open and record bids. Contracts will be awarded to the lowest responsible bidder or a purchase contract bid of best value (as recommended by the Purchasing Agent and Superintendent of Schools), who has furnished the required security after responding to an advertisement for sealed bids.

In order to be considered a responsible bidder, entities must certify that they are not on the list created and maintained by the State Office of General Services cataloging significant investment in the Iranian energy sector. Such statement may be submitted electronically pursuant to General Municipal Law §103(1).

Entities that cannot make this certification may only be awarded the bid if:

1. The entity’s investment activities in Iran were made before April 12, 2012; the investment activities in Iran have not been expanded or renewed after that date; and the entity has adopted, publicized, and is implementing a formal plan to cease the investment activities in Iran and to refrain from engaging in any new investments in Iran; or
2. The district makes a determination, in writing, that the goods or services are necessary for the district to perform its functions and that, absent such an exemption, the district

would be unable to obtain the goods or services for which the contract is offered.

D. Documentation of Competitive Bids

The district will maintain proper written documentation which will set forth the method in which it determined whether the procurement is a purchase or a public work contract.

E. Purchase of Instructional Materials

In accordance with Education Law the district shall give a preference in the purchase of instructional materials to vendors who agree to provide materials in alternative formats (i.e., any medium or format for the presentation of instructional materials, other than a traditional print textbook, that is needed as a accommodation for a disabled student enrolled in the district, including but not limited to Braille, large print, open and closed captioned, audio or an electronic file in an approved format.)

The district will establish and follow a plan to ensure that every student with a disability who needs his or her instructional materials in an alternative format will receive those materials at the same time that they are available to non-disabled students.

F. Leases of Personal Property

In addition to the above-mentioned competitive bidding requirements, section 1725 of the Education Law requires that the district will be subject to competitive bidding requirements for purchase contracts when it enters into a lease of personal property.

Documentation: The district will maintain written documentation such as quotes, cost-benefit analysis of leasing versus purchasing, etc.

G. Environmentally-Sensitive Cleaning and Maintenance Products

The district will purchase and utilize environmentally sensitive cleaning and maintenance products whenever feasible. The purchasing agent will consult with the Green Guidelines provided by the Office of General Services.

Any legal issues regarding the applicability of competitive bidding requirements will be presented to the school attorney for review.

IV. Exceptions to Competitive Bidding Requirements

The district will not be subject to competitive bidding requirements when the Board of Education, in its discretion, determines that one of the following situations exists:

1. emergency situations where:
  - a. the situation arises out of an accident or unforeseen occurrence or condition;
  - b. a district building, property, or the life, health, or safety of an individual on district property is affected; or
  - c. the situation requires immediate action which cannot await competitive bidding.

However, when the Board passes a resolution that an emergency situation exists, the district will make purchases at the lowest possible costs, seeking competition by informal solicitation of quotes or otherwise, to the extent practicable under the circumstances.

Documentation: The district will maintain records of verbal (or written) quotes, as appropriate;

2. when the district purchases surplus or second-hand supplies, materials or equipment from the federal or state governments or from any other political subdivision or public benefit corporation within the state.

Documentation: The district will maintain market price comparisons (verbal or written quotes) and the name of the government entity;

3. when the Board separately purchases eggs, livestock, fish and dairy products (other than milk), juice, grains and species of fresh fruits and vegetables directly from producers or growers. The amount expended in any fiscal year by the district may not exceed an amount equal to fifteen cents multiplied by the number of days in the school year multiplied by the total enrollment of the district.

Documentation: The district will maintain documentation consistent with sections 114.3 of the Regulations of the Commissioner of Education;

4. when the Board separately purchases milk directly from licensed milk processors employing less than forty (40) people. The



amount expended in any fiscal year by the district may not exceed an amount equal to twenty-five cents multiplied by the number of days in the school year multiplied by the total enrollment of the district or exceed the current market price.

Documentation: The district will maintain documentation consistent with section 114.4 of the Regulations of the Commissioner of Education;

5. when the district purchases goods, supplies and services from municipal hospitals under joint contracts and arrangements entered into pursuant to section 2803-a of the Public Health Law.

Documentation: The district will maintain the legal authorization, Board authorization and market price comparisons; or

6. when there is only one possible source from which to procure goods or services required in the public interest.

Documentation: The district will maintain written documentation of the unique benefits of the item or service purchased as compared to other items or services available in the marketplace; that no other item or service provides substantially equivalent or similar benefits; and that, considering the benefits received, the cost of the item or service is reasonable, when compared to conventional methods. In addition, the documentation will provide that there is no possibility of competition for the procurement of the goods.

7. when the district purchases professional services that require special skill or training, such as but not limited to, audit, medical, legal or insurance services, or property appraisals.

Documentation: The district will keep proper documentation in accordance with policy 6741.

8. when the district purchases through the contracts of (or "piggybacks" onto) other governmental entities, as authorized by law, for certain goods and services permitted by law. Factors relevant to the decision to "piggyback" may include cost, staff time, delivery arrangements, quality of goods and services, and suitability of such goods and services to the district's needs.

Documentation: The district will keep documentation indicating why "piggybacking" is in the best interests of the district, copies of the original contract, and that the originating contract was let in a manner consistent with applicable competitive bidding requirements.

V. Quotes When Competitive Bidding Not Required

Goods and services which are not required by law to be procured by the district through competitive bidding will be procured in a manner so as to ensure the prudent and economical use of public monies in the best interests of the taxpayers. Alternative proposals or quotations will be secured by requests for proposals, written or verbal quotations or any other appropriate method of procurement, as set forth below.

A. Methods of Documentation

1. Verbal Quotations: the telephone log or other record will set forth, at a minimum, the date, item or service desired, price quoted, name of vendor, name of vendor's representative;
2. Written Quotations: vendors will provide, at a minimum, the date, description of the item or details of service to be provided, price quoted, name of contact. For example, with regard to insurance, the district will maintain documentation that will include bid advertisements, specifications and the awarding resolution. Alternatively, written or verbal quotation forms will serve as documentation if formal bidding is not required.
3. Requests for Proposals: the district will utilize RFP's to engage professional services providers in accordance with policy 6741.

B. Purchases/Public Work: Methods of Competition to be Used for Non-Bid Procurements; Documentation to be Maintained

The district will require the following methods of competition be used and sources of documentation maintained when soliciting non-bid procurements in the most cost-effective manner possible:

1. Purchase Contracts up to \$20,000
  - a. Contracts from \$100 to \$2,500: Verbal quotes  
Documentation will include notations of verbal quotes.
  - b. Contracts in excess of \$1,000 to \$20,000: at least two written quotes are required.

2. Public Work Contracts up to \$35,000
  - a. Contracts from \$1,000 to \$5,000: Verbal quotes  
Documentation will include notations of verbal quotes.
  - b. Contracts in excess of \$5,000 to \$35,000: at least two written quotes are required.

VI. Quotes Not Required When Competitive Bidding Not Required

The district will not be required to secure alternative proposals or quotations for those procurements as permitted by state law:

1. under a county contract;
2. under a state contract;
3. under a federal contract;
4. under a contract of another political subdivision;
5. of articles manufactured in state correctional institutions; or
6. from agencies for the blind and severely disabled.

"Piggybacking" onto the contract of other governmental agencies is permitted where the original contract is in conformance with the goals of the district's policy and regulation for purchasing when competitive bidding is not required.

VII. Procurements from Other than the "Lowest Responsible Dollar Offeror"

The district will provide justification and documentation of any contract awarded to an offeror other than the lowest responsible dollar offeror, setting forth the reasons why such award is in the best interests of the district and otherwise furthers the purposes of section 104-b of the General Municipal Law.

VIII. Internal Control

The Board authorizes the Superintendent of Schools, with the assistance of the Purchasing Agent, to establish and maintain an internal control structure to ensure, to the best of their ability, that the district's assets will be safeguarded against loss from unauthorized use or disposition, that transactions will be executed in accordance with the law and district policies and regulations, and recorded properly in the financial records of the district.

Comments will be solicited from those staff members involved in the procurement process before enactment of the district's regulations regarding purchasing and from time to time thereafter. The regulations must then be adopted by Board resolution. All district regulations regarding the procurement processes will be reviewed by the Board at least annually.

The unintentional failure to fully comply with the provisions of section 104-b of the General Municipal Law or the district's regulations regarding procurement will not be grounds to void action taken or give rise to a cause of action against the district or any officer or employee of the district.

Adoption date: 10/2/12

Amended date: 7/11/18

**PURCHASING AUTHORITY**

The Board of Education designates the District Clerk as Purchasing Agent for the school district. The Board shall formally designate the individual named as purchasing agent at the annual organizational meeting, which will be recorded in the minutes of that meeting. If the individual so named becomes unable to fulfill the duties during the course of the year, the Board will designate another purchasing agent at the next Board meeting. The Purchasing Agent will be responsible for administering all purchasing activities and ensuring the quality and quantity of purchases made by the district.

All purchases shall be made through the Purchasing Agent.

The Purchasing Agent is authorized to issue purchase orders without prior approval of the Board when formal bidding procedures are not required by law and budget appropriations are adequate to cover such obligations.

The Purchasing Agent shall be responsible for preparing all bid specifications and a statement of general bidding conditions to be included in every notice or invitation to bid. If there are questions concerning specifications, the Purchasing Agent will consult with the requisitioner to clarify the matter so as to ensure that the appropriate goods or services are obtained.

Cross-ref: 2210, Board Organizational Meeting  
6700, Purchasing

Ref: General Municipal Law §104-b(2)(f)

Adoption date: 10/2/12

## PURCHASING PROCEDURES

Only through the use of efficient purchasing procedures can the school district ensure that needed goods and services are acquired in the most economical manner. The Board of Education directs the Superintendent of Schools and the Purchasing Agent to develop administrative regulations on how purchasing is to be done in the district.

All purchasing is to be done by the Purchasing Agent on an official pre-pressed, pre-numbered purchase order. Checks are always to be voided manually and retained for audit.

The Purchasing Agent is authorized to issue purchase orders without prior approval of the Board when formal bidding procedures are not required by law and budget appropriations are adequate to cover such obligations.

Cross-ref:     6700, Purchasing  
                  6720, Bidding Requirements

Ref:     Office of the State Comptroller-Financial Management Guide

Adoption date: 10/2/12

## PURCHASING PROCEDURES REGULATION

The purchasing of material, equipment, or supplies shall be governed by the following list of functions.

<u>Function</u>	<u>Performed by</u>
A. Requisition	Initiated by user Sent to proper official for approval Copy retained by school
B. Specifications	Prepared in detail by Purchasing Agent after consultation with requisitioner and made available to prospective contractors or vendors.
C. Bids or Quotations	Checked and tabulated by Purchasing Agent and after review with the requisitioner recommendations made to Board of Education on formal bids.
D. Contract or Purchase	Contracts signed by designated board officials; orders signed by Purchasing Agent Order.
E. Follow-Up	By Purchasing Agent
F. Receipt of Goods	Person other than requisitioner signs receiving copy of Purchase Order and forwards same to Purchasing Agent indicating the quantity and quality of materials or services which have been received and are satisfactory.
G. Invoice	Checked for price and quantity by Purchasing Agent.
H. Invoice Approved	By officer giving rise to the claim and auditor after receipt of goods is acknowledged by requisitioner

Adoption date: 10/2/12

**Required**  
 Local  
 Notice

### CONTRACTING FOR PROFESSIONAL SERVICES

The Board of Education will make certain that professional services are secured in a manner that protects the integrity of the process, ensures the prudent use of taxpayer dollars and provides a high quality standard of service, in accordance with law and regulation. Professional services are defined as services requiring special skill and/or training, such as legal services, medical services, auditing services, property appraisals or insurance.

Purchasing professional services does not require competitive bidding. The Board directs the Superintendent of Schools to take measures to ensure that a highly qualified professional is secured through the prudent and economical use of public money, which may include:

1. reviewing trade journals;
2. checking professional listings; and/or
3. inquiring of other districts or other appropriate sources.

The designated district staff will prepare a comprehensive written request for proposals (RFP), which will contain critical details of the services sought. The RFP will specify that the proposal include the structure of the relationship between the district and the provider, including, if applicable, the terms of the retainer, the hourly fees and other associated costs.

In reviewing the RFPs, the district will consider, at a minimum, the following factors:

1. the suitability of the individual/firm for the district's needs;
2. the special knowledge or expertise of the individual/firm;
3. the credentials and applicable certifications of the individual/firm;
4. the quality of the service provided by the individual/firm;
5. cost;



6. the staffing available from the firm or the time available from the individual;

The district will periodically, but not less frequently than every three years, issue professional service RFPs and may conduct interviews as part of the RFP process. The written proposals submitted by applicants shall be maintained for at least six years.

The Superintendent, after a thorough review of the proposals, will recommend the professional service provider best suited to the district to the Board for its approval.

Regardless of when during the year the professional service provider was engaged by the Board, at the annual organizational meeting the Board will appoint the attorney, physician, external auditor, or other professional, as applicable. Professional service providers selected and appointed in this manner will not be considered employees of the district.

The Superintendent is charged with developing administrative procedures to implement this policy.

Cross-ref: 2210, Board Annual Organizational Meeting  
9500, Compensation and Benefits

Ref: General Municipal Law § 104-b  
2 NYCRR §§ 315.2, 315.3  
*Trane Co. v Broome County*, 76 A.D.2d 1015  
*Appeal of Lombardo*, 38 Educ. Dept. Rep. 730  
Opn. St. Comp. 92-33

Adoption date: 10/2/12

[ ] Required  
 [X] **Local**  
 [ ] Notice

### PAYROLL PROCEDURES

The Board of Education recognizes the importance of the payroll function to the effective administration of the district. The Board is also aware that this is an area at risk of fraud and abuse. It is the intention of the Board to take reasonable and necessary steps to safeguard the district's payroll. The Board directs the Superintendent to establish procedures to reasonably ensure the accuracy and integrity of the payroll system.

The District Clerk/Head Teacher reviews the timesheet prior to the Treasurer receiving it. It shall be the responsibility of the Treasurer to prepare all payrolls.

The Superintendent will conduct a periodic test to verify the accuracy and appropriateness of the district payroll. The test shall confirm that individuals listed on the payroll are currently employed by the district, and that the title, hours worked, and wages listed are correct. The test shall also confirm that individuals listed as employees are employees and not independent contractors (the procedure for determining employment status is outlined in policy 9500, Compensation and Benefits). The Superintendent will evaluate the results of the test and determine if improvements need to be made.

Cross-ref: 6741, Contracting for Professional Services  
 9500, Compensation and Benefits

Ref: Education Law Article 11; §§1604; 1719; 1720; 2116-a  
 Retirement and Social Security Law §34  
 2 NYCRR §§315.2; 315.3

Adoption date: 10/2/12

[ ] Required  
 [X] Local  
 [ ] Notice

### EXPENSE REIMBURSEMENT

Members of the Board of Education, school officials and staff shall be reimbursed for reasonable, actual and necessary out-of-pocket expenses which are legally authorized and incurred while traveling for school related activities.

Only expenses necessary to the purpose of the travel shall be reimbursable. Tax exemption certificates shall be issued and utilized as appropriate. Transportation costs such as taxi cabs are allowable only for essential transportation. Mileage will be paid at the rate fixed by the federal Internal Revenue Service for business travel.

The Superintendent of Schools, by the authority granted by the Board, shall determine whether the attendance of District staff members at any conference or professional meeting is in the best interest of the district and whether they are eligible for reimbursement of expenses under this policy.

To obtain reimbursement, the claimant must complete and sign an expense voucher, attach all itemized receipts or other expense documentation, together with a copy of the approved conference attendance request form and evaluation report (if required), and submit the same to the Treasurer.

#### Transportation

- Travel shall be by the most economical method, whether by private automobile, school vehicle or common carrier such as bus, train or plane.
- If travel is by private automobile, mileage shall be reimbursed at the level approved by the Internal Revenue Service for business travel. Parking and tolls will also be reimbursed, but gasoline will not.
- Rental car expenses will be reimbursed only if authorized in advance. Receipts must be attached.
- Air travel is only allowed when determined by the Superintendent of Schools to be in the district's best interest. Air travel shall be reimbursed at the lowest feasible fare available and shall not exceed regular coach class fare. Travel arrangements should be made as soon as reasonably practicable so as to avoid payment of a higher fare due to a late booking.

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### Lodging

- Persons traveling on district-related business are expected to secure the most reasonable rate for necessary hotel accommodations. The district will reimburse for actual lodging fees up to the maximum lodging fee set by the federal government for that location.
- When the rate is pre-determined by the organization sponsoring the event, the traveler shall secure a room rate at no more than the pre-determined rate notwithstanding what the federal travel reimbursement rate is. Hotel accommodations at a rate other than the most reasonable rate or a pre-determined rate described above will be reimbursed only if approved by the Board President (for members of the board and the Superintendent) and the Superintendent (for all others) prior to the stay.

### Meals

When an employee travels overnight for district business, the district shall reimburse up to two meals per day, not to exceed \$75.00 as long as the employee is traveling during a usual meal time. Employees must present itemized receipts showing individual food items in order to obtain reimbursement.

### Other Reimbursable Expenses

Registration, workshop and other fees as itemized in the conference literature will be reimbursed at actual cost, if not pre-paid by the district.

Expenses for tipping and gratuities, customary and reasonable, for lodging, restaurants, and for transportation services will be reimbursed by the district. If possible, documentation shall be provided in the form of contemporaneous notes.

### Personal Expenses Not Reimbursed

The district does not reimburse persons traveling on district-related business for personal expenses including, but not limited to, pay television, hotel health club facilities, alcoholic beverages, theater and show tickets, and telephone calls and transportation costs unrelated to district business.

Ref: Education Law §§1604(27); 2118  
General Municipal Law §77-b

Adoption date: 10/2/12

[ ] Required  
 [X] Local  
 [ ] Notice

### DISPOSAL OF DISTRICT PROPERTY

The Head Teacher and Purchasing Agent are responsible for identifying obsolete or surplus equipment and supplies within their area(s) of responsibility. Each year, a determination shall be made of which equipment, supplies and/or materials are obsolete and cannot be salvaged or utilized effectively or economically by the school district. Such equipment, supplies, or materials shall be sold through bid procedures, if possible, for the highest possible price.

The Superintendent of Schools shall be authorized to dispose of obsolete or surplus equipment and supplies in the following manner:

1. reassign the items, as needed, to other locations within the school district;
2. centralize the storage of items of potential usefulness; and/or
3. discard or sell as surplus those items determined to be of no further use or worthless.

Prior to reassigning, storing, discarding or selling any equipment or supplies (including computer hardware and software), the district shall ensure that all district-related data and information is permanently and completely removed. If such data or information is of a sensitive, personal or confidential nature, and cannot be permanently and completely removed prior to discarding or selling, the equipment or supplies shall be destroyed, and if reassigned or stored, the district shall note that district data or information has not been permanently and completely removed. The district shall also ensure that all district-related data and information is permanently and completely removed from equipment that is leased from a third party, prior to returning the equipment. The district shall work with the third party provider to ensure that district data and information is able to be permanently and completely removed from the equipment.

Following approval by the Board of Education, items may be sold in the following manner:

1. offer to sell the items to local municipalities or local non-profit organizations;
2. sell items at a public sale or on a Board approved public online auction site. In the event of a public sale, notice of availability of such equipment, supplies and materials and requests for bids shall be disseminated through announcements in local newspapers and such other appropriate means. The general public, as well as staff members who are not Board members, officers, or involved in the purchasing function, shall be eligible to bid on the equipment, supplies and/or materials; and

## SAGAPONACK

3. sell remaining items as scrap for the best obtainable amount or discard in the safest, least expensive manner.

Items determined to have no monetary value may be donated at the discretion of the Board or discarded by the District.

Ref: General Municipal Law §§51; 800 et seq.  
*Ross v. Wilson*, 308 NY 605 (1955)  
*Matter of Baker*, 14 EDR 5 (1974)  
Op. St. Compt. 58-120

Adoption date: 10/2/12

Amended: 6/11/13

Amended: 4/21/16