

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: 6/19/2013

BUDGET PLANNING

Budget planning and development for the District will be an integral part of program planning so that the annual operating budget may effectively express and implement programs and activities of the School System. Budget planning will be a year-round process involving participation of District-level administrators, principals, directors, coordinators, teachers, and other personnel. The process of budget planning and development should allow for community input and contain numerous opportunities for public information and feedback.

The Superintendent will have overall responsibility for budget preparation, including the construction of and adherence to a budget calendar. Program managers will develop and submit budget requests for their particular areas of responsibility after seeking the advice and suggestions of staff members.

Principals will develop and submit budget requests for their particular schools in conjunction with the advice and suggestions of staff members and their own professional judgment. Each school's budget request will be the principal's recommendation as to the most effective way to use available resources in achieving progress toward the approved educational objectives of the school. Program budgets and school budgets will reflect state and/or federal requirements, special sources of funding, and District objectives and priorities.

The Board will give consideration to budget requests and will review allocations for appropriateness and for their consistency with the School System's educational priorities.

All budget documents for distribution to the public shall be in plain language and organized in a manner which best promotes public comprehension of the contents. Documents shall be complete and accurate and contain sufficient detail to adequately inform the public regarding such data as estimated revenues, proposed expenditures, transfers to other funds, fund balance information, and changes in such information from the prior's submitted budget.

The budget will be presented in three components which are to be voted upon as one proposition:

a) A program component which shall include, but need not be limited to, all program expenditures of the School District, including the salaries and benefits of teachers and any school administrators or supervisors who spend a majority of their time performing teaching duties, and all transportation operating expenses;

b) A capital component which shall include, but need not be limited to, all transportation capital, debt service, and lease expenditures; costs resulting from judgments and tax certiorari proceedings or the payment of awards from court judgments, administrative orders or settled or compromised claims; and all facilities costs of the School District, including facilities leases expenditures, the annual debt service and total debt for all facilities financed by bonds and notes of the School District, and the costs of construction, acquisition, reconstruction, rehabilitation or improvement of school buildings, provided that such budget shall include a rental, operations and maintenance section that includes base rent costs, total rent costs, operation and maintenance charges, cost per square foot for each facility leased by the District, and any and all expenditures

associated with custodial salaries and benefits, service contracts, supplies, utilities, and maintenance and repairs of school facilities; and

c) An administrative component which shall include, but need not be limited to, office and central administrative expenses, traveling expenses and salaries and benefits of all certified school administrators and supervisors who spend a majority of their time performing administrative or supervisory duties, any and all expenditures associated with the operation of the office of trustee or board of trustees, the office of the superintendent of schools, general administration, the school business office, consulting costs not directly related to student services and programs, planning and all other administrative activities.

Each component must be separately delineated in accordance with Commissioner's Regulations.

Additionally, the Board of Education shall append to the proposed budget the following documents:

a) A detailed statement of the total compensation to be paid to the Superintendent of Schools, and any Assistant or Associate Superintendent of Schools in the ensuing school year, including a delineation of the salary, annualized cost of benefits and any in-kind or other form of remuneration;

b) A list of all other school administrators and supervisors, if any, whose annual salary for the coming school year will be at or above that designated in law for such reporting purposes, with the title of their positions and annual salary identified;

c) A School District Report Card, prepared pursuant to Commissioner's Regulations, which includes measures of the academic performance of the School District, on a school by school basis, and measures of the fiscal performance of the District; and

d) A Property Tax Report Card prepared in accordance with law and Commissioner's Regulations (see subheading "Property Tax Report Card").

The proposed budget for the ensuing school year shall be reviewed by the Board of Education and publicly disseminated, in accordance with law, prior to its submission to District voters for approval.

District funds may be expended to inform the public regarding the annual budget and to present the annual budget to District voters; however, such funds shall not be utilized to promote either a favorable or negative opinion of the proposed budget.

Property Tax Report Card

Each year, the Board of Education shall prepare a Property Tax Report Card, pursuant to Commissioner's Regulations, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the Annual Meeting, and otherwise disseminating it as required by the Commissioner.

Taconic Hills Central School District
The Property Tax Report Card shall include:

- a) The amount of total spending and total estimated school tax levy that would result from adoption of the proposed budget, and the percentage increase or decrease in total spending and total school tax levy from the School District budget for the preceding school year; and
- b) The projected enrollment growth for the school year for which the budget is prepared, and the percentage change in enrollment from the previous year; and
- c) The percentage increase in the Consumer Price Index, from January first of the prior school year to January first of the current school year.

A copy of the Property Tax Report Card prepared for the Annual District Meeting shall be submitted to the State Education Department in the manner prescribed by the Department by the end of the business day next following approval of the Property Tax Report Card by the Board of Education, but no later than twenty-four (24) days prior to the statewide uniform voting day (i.e., the third Tuesday in May).

The State Education Department shall compile such data for all School Districts whose budgets are subject to a vote of the qualified voters, and shall make such compilation available electronically at least ten (10) days prior to the statewide uniform voting day.

Cross-ref: 2260, Citizens Advisory Committees

Ref: Education Law §§1608(2)-(4); 1716(2)-(4); 1804(4); 1906(1); 2002(1); 2003(1);
2004(1); 2022(2); 2601-a
Fiscal Management (NYSSBA, 1997)

Adoption date: 6/19/2013

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, in accordance with the Regulations of the Commissioner of Education, is authorized to make budget transfers between line item accounts. The Superintendent will report all transfers between line item accounts to the Board as they occur.

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

Adoption date: 6/19/2013

Uniform Guidance Compliance for Federal Awards – Procurement, Suspension and Debarment

Purpose

2 CFR Part 200 (subparts A-F) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards requires that organizations receiving federal awards to establish and maintain effective internal controls over federal awards.

General Policy Statement

The requirements for procurements using federal awards are contained in the Uniform Guidance (2 CFR Part 200, subparts A-F), program legislation, federal awarding agency regulations, and the terms and conditions of the award.

To comply with 2 CFR Part 200 (subparts A-F), the Taconic Hills Central School District shall implement policies and procedures, including, but not limited to:

- A. The District will use its own documented procurement procedures which reflect applicable state, local and tribal laws and regulations; provided that the procurements conform to applicable federal law and Uniform Guidance. As such, District procurements related to federal grants will be subject to New York State General Municipal Law, District Procurement Policy and Uniform Guidance Requirements.
- B. Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis of contract price.
- C. The District will utilize one of the five acceptable procurement methodologies detailed in §200.320 which include:
 - 1. Micro Purchase
 - 2. Small Purchase Procedure
 - 3. Sealed Bid
 - 4. Competitive Proposal
 - 5. Non-Competitive Proposal (Sole Source)
- D. Procurements will provide for full and open competition as set forth in the Uniform Guidance, or State and local procurement thresholds, whichever is most restrictive.
- E. No employee, officer or agent may participate in the selection, award or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents can neither solicit nor accept

gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. If the financial interest is not substantial or the gift is an unsolicited item of nominal value, no further action will be taken. However, disciplinary actions will be applied for violations of such standards otherwise.

- F. The District shall avoid acquisition of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical procurement approach. The District will also analyze other means, as described in §200.318 of the Uniform Guidance, to ensure appropriate and economical acquisitions.
- G. The District will enter into state and local intergovernmental agreements or inter-entity agreements, where appropriate.
- H. The District will only utilize time and materials contracts when it has been determined, in writing, that no other contract type is suitable.
- I. Vendors/Contractors that develop or draft specifications, requirements, statements of work, or invitation to bids or requests for proposals must be excluded from competing for such procurements.
- J. The District will make available, upon request of the federal awarding agency or pass-through entity, technical specifications on proposed procurements where the federal awarding agency or pass-through entity believes such review is needed.
- K. The District is prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered Transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (i.e. grant or cooperative agreement) that are expected to equal or exceed \$20,000. All non-procurement transactions (i.e. sub-awards to recipients), irrespective of award amount, are considered covered transactions.
- L. The District will include a suspension/debarment clause in all written contracts in which the vendor/contractor will certify that it is not suspended or debarred. The contract will also contain language requiring the vendor/contractor to notify the District immediately upon becoming suspended or debarred. This will serve as adequate documentation as long as the contract remains in effect.
- M. District departments will be required to notify the Purchasing Agent and Director of Business and Finance that federal funding will be used for a certain procurement/contract. When requesting a written contract and prior to the issuance of a purchase order using federal funds, the Purchasing Agent will be responsible for running the vendor/contractor's name through the System for Award Management (SAM) to determine if any exclusions exist.

If a vendor/contractor is found to be suspended or debarred, the District will immediately cease to do business with the vendor.

- N. The District will not use statutorily or administratively imposed state, local or tribal geographical preferences in the evaluation of bids or proposals except in those cases where applicable federal statutes expressly mandate or encourage geographical preference.
- O. The District shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. (b) Affirmative steps must include: (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises; (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.
- P. The District will procure recovered materials in compliance with §200.322.
- Q. The District will perform a cost or price analysis relating to every procurement of more than the Simplified Acquisition Threshold. (\$150,000)
- R. The District will require appropriate bonding requirements as per §200.325.
- S. The District will only award contracts to responsible vendors and will document, in writing, such determination.
- T. District contracts will contain the applicable provisions described in Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.
- U. The District will maintain oversight to ensure that contractors perform in accordance with the contracts terms, conditions, and specifications.
- V. Copies of executed contracts and will be secured in the Purchasing Department and purchase orders will be maintained within the nVision financial management system.

Adopted: December 19, 2018

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 or his/her designee 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.

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: 6/19/2013

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 sections 6-d, 6-j, 6-l, 6-m and 6-n of General Municipal Law may be invested in obligations of the school district.

Conditions

All 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 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. The independent auditors will audit the investment proceeds of the school district for compliance with the provisions of this Investment Regulation.

4. Monthly investment reports will be furnished to the Board of Education.

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: 6/19/2013

Accounts Receivable Procedures

Invoices will be created for services rendered, restitution for loss/damage, or use of facilities in accordance with the guidelines provided regarding the specific instance that billing is being initiated for.

Including, but not limited to: Before and After School Program, Property or Technology Equipment Damages, Pool/Facility Rental, Building Use, Food Service Requests and Transportation Requests.

An invoice will be created and mailed or emailed to the recipient as required. Invoices for the Before and After School Program must be paid in advance of the services being rendered. All other invoices are due upon receipt unless there is a specific contractual agreement that addresses payment terms.

A review of the status of Accounts Receivable will be performed at least once per month. Any invoices outstanding with aging of 30 days will be sent a statement as a reminder that the account is past due and payable immediately.

Any invoices outstanding with aging of 31-60 days will be sent a statement with the note that the account is seriously past due and must be paid immediately.

Any invoices outstanding with aging of 61-90 days will be sent a collection letter from the Business Manager indicating that unless the invoice is paid within ten days, the account will be turned over to the school attorney for further action.

If an account reaches aging of 120 days and remains unpaid, it shall be referred to the school attorney for collection and/or legal action.

Beginning with the 61-90 day stage of the aging process and subsequent notification, those who owe monies to the district will be given the option of a payment plan. The plan will be detailed in writing and must be signed by both the district and the payee. Failure to adhere to the payment plan will result in the account being turned over to the school attorney for further action.

The Business Manager or their designee will review any outstanding accounts that may have extenuating circumstances with the Superintendent. Only the Superintendent of Schools may authorize that an uncollectable account can be written-off.

Adopted: March 20, 2019

FUND BALANCE AND GOVERNMENTAL FUND TYPE DEFINITIONS

The Board of Education recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the school district and is fiscally advantageous for both the District and the taxpayer. Unanticipated events may occur that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. Accordingly, this policy is intended to guide the District regarding maintenance of adequate fund balances and reserves in order to:

- a. Provide sufficient cash flow for daily financial needs
- b. Secure and maintain investment grade bond ratings
- c. Offset significant economic downturns or revenue shortfalls
- d. Provide funds for unforeseen expenditures relating to emergencies

The Board of Education also recognizes the need to enhance the usefulness of fund balance information by providing clear fund balance classifications and clarifying governmental fund type definitions in accordance with Statement No. 54 of the Government Accounting Standards Board (GASB): Fund Balance Reporting and Governmental Fund Type Definitions.

Fund balance definition: Fund balance is a measurement of available financial resources calculated as the difference between total assets and total liabilities in each fund.

Fund type definitions: The following definitions will be used in reporting activity in governmental funds across the District. The District may or may not report in all fund types in any given reporting period, based on actual circumstances and activity.

The *general fund* is used to account for and report all financial resources not reported in other funds.

Special revenue funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Capital project funds are used to account for and report financial resources restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the District.

Fund balance reporting in governmental funds: Fund balance will be reported in governmental funds under the following categories using the definitions provided by GASB Statement No. 54:

Nonspendable fund balance

Definition – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets for resale and principal endowments.

Classification – Nonspendable amounts will be determined before all other classifications and consist of the following items (as applicable in any given fiscal year):

- The District will maintain a fund balance equal to the value of inventory balances and prepaid items (to the extent that such balances are not offset with liabilities and actually result in fund balance)
- The District will maintain a fund balance equal to the value of long-term portions of loan receivables and financial assets for resale
- The District will maintain a fund balance equal to the corpus (principal) of any permanent funds that are legally or contractually required to be maintained intact

Restricted fund balance

Definition – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed fund balance

Definition – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision making authority (Board of Education) before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Authority to Commit – Commitments will only be used for specific purposes pursuant to a formal action of the Board of Education. A majority vote is required to approve a commitment or to remove a commitment.

Assigned fund balance

Definition – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision making authority (Board of Education), or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund; and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

Authority to Assign – The Board of Education delegates to the Superintendent, School Business Official or designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) funds balance in any particular fund.

Unassigned fund balance

Definition – represents the residual classification for the government’s general fund, and could report a surplus or a deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which the amounts had been restricted, committed or assigned.

Operational guidelines: The following guidelines address the classification and use of fund balance in governmental funds:

Classifying fund balance amounts – Fund balance classifications depict the nature of the net resources that are reported in a governmental fund. An individual governmental fund may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The general fund may also include an unassigned amount.

Encumbrance reporting – Encumbering amounts for specific purposes for which resources have already been restricted, committed or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed or assigned, will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in GASB Statement No. 54.

Prioritization of fund balance use – When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be

the policy of the District for the Superintendent, School Business Official or designee to determine the order of the expenditure of funds, on an annual basis.

Minimum unassigned fund balance – Real Property Tax Law Sec. 1318 limits the amount of unexpended surplus funds a school district can retain to no more than four percent of the next year's budgetary appropriations. Funds properly retained under other sections of the law (i.e. reserves established pursuant to General Municipal Law or Education Law) are excluded from the four percent limitation. In the context of previous fund balance reporting, an unexpended surplus was interpreted to be synonymous with unappropriated, unreserved fund balance. Under GASB 54 fund balance classifications, the four percent limitation will be interpreted to be applied to unrestricted fund balance (i.e. the total of the committed, assigned and unassigned classifications) less appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance. The District will strive to maintain a minimum unassigned fund balance as defined above in its general fund ranging from two percent to four percent (or the maximum level authorized by the State of New York) of the subsequent year's budgeted expenditures. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a strong bond rating:

Replenishing deficiencies – When minimum unassigned fund balance in the general fund falls below the minimum two percent range, the District will replenish shortages/deficiencies using the budget strategies and timeframes described below.

The District will utilize budgetary strategies such as reducing recurring expenditures to eliminate any structural deficit, increasing revenues or pursuing other funding sources, or applying a combination of both options. The District shall strive to replenish deficiencies within the following time periods:

- For a deficiency resulting in a minimum fund balance between 0.1 percent and 1 percent, the District shall strive to replenish such amount over a period not to exceed five years.
- For a deficiency resulting in a minimum fund balance between 1 and 2 percent, the District shall strive to replenish such amount over a period not to exceed three years.

Implementation and review: The Board of Education authorizes the Superintendent or designee to establish any standards and procedures which may be necessary for policy implementation. The policy and procedures promulgated under it shall supersede all previous regulations regarding the District's fund balance. The policy shall be subject to periodic review and revision by the Board of Education.

Ref: GASB Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions

Adoption date: February 15, 2018

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 Business Manager.

The Board hereby authorizes the use of check signing machines with safeguards for the school district's protection and with facsimile signatures of the Treasurer and Business Manager. Said machines shall be maintained in the exclusive and secured possession of the Treasurer and Business Manager, respectively.

The Treasurer/ Business Manager shall be present and shall control the affixing of his/her signature when checks are run. He or she should maintain a log of checks signed and should verify the sequence of check numbers that are used. The signing of blank checks is expressly forbidden.

Extra-classroom activity fund checks shall be signed by the Central Treasurer of the extracurricular activity fund.

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 and express charges, in accordance with law.

Ref: Education Law §§1720; 1724; 2523
8 NYCRR §§170.1(c)(d); 172

Adoption date: June 19, 2013

Wire Transfers and Electronic Fund Transfers

The Board of Education authorizes the District Treasurer, or in his/her absence the Deputy Treasurer, to transmit wire transfers or electronic fund transfers on behalf of the district for payments by the district and for transferring monies between accounts maintained by the district.

All such transfers shall be made in accordance with written agreements between the district and the bank or trust company, which agreement shall include appropriate security procedures.

The Superintendent or his/her designee shall adopt and maintain written procedures for wire transfers or electronic fund transfers, which shall at a minimum, provide that:

1. The employee who initiates the process for making the wire transfer or electronic fund transfer shall not be the employee who confirms the transfer;
2. Appropriate advance authorization for the transmission of wire transfers and electronic fund transfers is provided by the district to the bank or trust company and the district notifies the bank or trust company of every individual who is authorized to initiate a wire transfer and the individuals who are authorized to confirm the wire transfer.
3. The district's Business Manager shall separately confirm the wire transfer by the bank or trust company's electronic approval process before the wire transfer or electronic fund transfer will be released by the bank or trust company; and
4. The district's Business Manager shall maintain a record of each wire transfer or electronic fund transfer entered into by the district and the recipient and amount of such transfer.

Ref: General Municipal Law § 5-a
Uniform Commercial Code § 4-A-20

Adopted: 6/14/2018

RETIREE HEALTH INSURANCE

- a) An employee of the District who:
1. (i) was eligible for and did in fact retire from service in the Taconic Hills Central School District pursuant to the provisions of the New York State Teachers' Retirement System or the New York State Employees' Retirement System and/or
 - (ii) was eligible for and did in fact retire pursuant to the provisions of Social Security; and
 2. worked for the District for a period designated by each bargaining unit contract **immediately** prior to retirement; and
 3. was eligible to participate in a group health insurance plan provided by the District to its employees on the date immediately prior to the effective date of the employee's retirement.

shall be eligible for retiree health insurance in retirement, in accordance with the provisions of this policy, as it now exists or as may be amended.

- b) An employee eligible for retiree health insurance benefits, as defined above, shall be entitled to receive coverage under the same health insurance plan, which is provided to the Faculty and/or Support Staff employees of the District. The appropriate group is that with which the retiree was associated at the time of retirement.
- c) An eligible retired employee shall be entitled to the same level of coverage (individual, 2 person, family, Medicare) which the District provided to such employee prior to retirement. An eligible retired employee **must** submit a notice of change of plan any time prior to or during his/her retirement. When a retired employee turns 65, they must send a copy of their Medicare card to the Business Office.
- d) For **employees who were not part of a collective bargaining unit during their employment**, for each month of coverage, the District will pay the same percentage for **an** eligible retired employee as they paid for them at the time of retirement. For **employees who were part of a collective bargaining unit during their employment**, for each month of coverage, the District will pay the same percentage for **an** eligible retired employee as they pay for actively employed employees of the District in the bargaining unit which the retiree was associated with at the time of retirement. **This amount is subject to change through negotiations.**
- e) The surviving spouse of a deceased eligible retired employee shall be eligible for individual coverage in the plan, which the eligible retired employee was entitled to coverage; provided, however, that the surviving spouse of a deceased eligible retired employee must pay the full premium of such coverage.
- f) If an eligible retired employee or surviving spouse fails or refuses to deliver the premium due to the District's Central Office pursuant to the schedule established by the District, the District shall have no obligation to continue their coverage.

Policy 6511

- g) A retired employee of the District who:
1. Received Medicare Part B reimbursement from the District prior to September 1, 1994, shall continue to receive that payment.
 2. Retired prior to September 1, 1994, shall be entitled to Medicare Part B reimbursement from the District when they become eligible and thereby receive Medicare benefits.
 3. Retired on or after September 1, 1994, shall not be reimbursed for the expense of Medicare Part B coverage.

Adopted: June 21, 2017

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, as defined by the State Comptroller's Office. In addition, accounting and reporting will adhere to generally accepted governmental accounting standards. The accounting system will yield information necessary for the Board to make policy decisions and perform its oversight function.

The Board directs the Business Manager to keep informed of changes in state and/or Government Accounting Standards Board (GASB) accounting requirements and implement changes, as appropriate. The Board expects that the Business Manager will communicate new standards and/or requirements to the Board, as necessary, so that the Board can carry out its responsibilities.

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, including periodic projections of the end of year fund balance. 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 Business Manager will submit, through the Superintendent, to the Board and the Commissioner of Education, such reports as 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.

The district shall be audited annually by an independent certified public accountant or a public accountant. The auditor's report shall be adopted by resolution and a copy shall be filed with the Commissioner of Education.

The Business Manager 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.

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

6660, Independent/External Audit

Ref: Education Law §§1610; 1721; 2117; 2528; 2577; 2590-i

General Municipal Law §§33; 34 8 NYCRR §§155.1; 170.1; 170.2

Adoption date: 6/19/2013

Updated: 2/14/18

RESERVE FUNDS

Reserve funds (essentially a legally authorized savings account designated for a specific purpose) are an important component in the District's financial planning for future projects, acquisitions and other lawful purposes. To this end, the District may establish and maintain reserve funds in accordance with New York State Laws, Commissioner's Regulations and the rules and/or opinions issued by the Office of the New York State Comptroller, as applicable.

Any and all District reserve funds shall be properly established and maintained to promote the goals of creating an open, transparent and accountable use of public funds. The District elects to use the default policy of GASB Statement 54 for the purposes of identifying which classifications of fund balance are spent first. The District may engage independent experts and professionals, including but not limited to, auditors, accountants and other financial and legal counsel, as necessary, to monitor all reserve fund activity and prepare any and all reports that the Board may require.

Periodic Review and Annual Report

The Board of Education will periodically review all reserve funds. The District will also prepare and submit an annual report of all reserve funds to the Board of Education. The annual report shall include the following information for each reserve fund:

- a) The type and description of the reserve fund;
- b) The date the reserve fund was established and the amount of each sum paid into the fund;
- c) The interest earned by the reserve fund;
- d) Capital gains or losses resulting from the sale of investments of the reserve fund;
- e) The total amount and date of each withdrawal from the reserve fund;
- f) The total assets of the reserve fund showing cash balance and a schedule of investments; and
- g) An analysis of the projected needs for the reserve fund in the upcoming fiscal year and a recommendation regarding funding those projected needs.

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

The Superintendent shall develop any necessary and/or appropriate regulations to implement the terms of the Board's policy.

Adopted: November 14, 2018

INVENTORIES

The Board of Education directs the Business Manager to maintain a continuous and accurate inventory of property and equipment owned by the district, in accordance with “The Uniform System of Accounts for School Districts.” All supplies and equipment purchased and received by the district shall be checked, logged, and stored through an established procedure.

The Business Manager shall establish administrative systems to monitor the acquisition, deployment, and disposal of assets that will accomplish the following:

1. Establish a record of assets to enable the Board to easily determine what assets the district has, where they are located, and any transfers.
2. Fix responsibility to improve the care employees exercise over assets.
3. Identify financing source of assets, which is useful in planning future purchases and how they will be financed.
4. Provide the following useful supplemental information:
 - a. Replacement cost
 - b. Insurance coverage
 - c. Maintenance cost
 - d. Useful life

Such systems shall provide an inventory which identifies all fixed assets valued at five thousand dollars (\$5,000) for equipment and twenty thousand dollars (\$20,000) for buildings/structures, and labels all other assets valued at one thousand dollars (\$1,000) or more. This inventory shall be updated on an annual basis in order to assure accuracy and therefore usefulness.

Adoption date: February 25, 2015

INVENTORIES REGULATIONS

The following policies and procedures document a fixed asset system designed to comply with all statutory requirements and increase control over those assets for which the district has stewardship responsibility. The intent of these policies is to obtain accountability over our assets, provide centralized documentation for insurance purposes, meet financial reporting needs, and generate asset management information.

POLICY

It is the policy of the district to maintain accountability over all tangible fixed assets having a life expectancy of more than one year and costing \$5,000 or more for equipment and \$20,000 or more for building/structures. The business office staff shall maintain records, to be verified by a physical inventory at least once a year.

For the purpose of this policy and all other inventory/asset policies, the following definitions will apply:

<i>Fixed Assets:</i>	<i>Equipment valued over \$5,000</i>
<i>Inventoried Assets:</i>	<i>Equipment valued over \$1,000</i>

PURPOSE

A fixed asset inventory system gathers information allowing preparation of financial statements in accordance with generally accepted accounting principles. The system should provide adequate stewardship over its resources through control and accountability of the fixed assets.

GENERAL

Fixed assets in the system include all buildings/structures valued over \$20,000 and all equipment valued over \$5,000. The district will use software to collect, maintain and track assets with the necessary information for each item. The software will be used to calculate depreciation as required by GASB 34.

Inventoried assets in the system include all equipment valued over \$1,000. These assets will be tagged and maintained through software for *inventory purposes only*.

RESPONSIBILITY OF BUSINESS OFFICE

The Business Manager will establish a fixed assets system and prepare guidelines for the annual inventory. The Business Office staff will be responsible for the maintenance of the inventory system including conducting an annual inventory.

ASSET IDENTIFICATION

All property that is inventoried will be assigned a unique identification number by the Business Office staff. The assigned number will follow the asset throughout its life in the district's asset system.

Whenever feasible, each piece of property will be tagged or marked with the identification number on the upper, right side. Such markings will be removed when the item is sold, scrapped, or otherwise disposed of.

If the asset is purchased with grant funding, the identification number will reference the grant with an identifying project code.

PROCEDURES

ADDITIONS

The district may acquire property via purchase, construction or donation. The purchase of equipment should be made through the appropriate PO process which includes compliance with district policy. If PO meets threshold (Statement B of Policy), PO will be flagged by purchasing agent. In addition, a report will be run on a quarterly basis to verify addition of new assets. The business office staff will be responsible for tagging and recording merchandise into inventory software.

DELETIONS

Assets previously acquired will eventually be disposed of and need to be deleted from the Fixed Asset System. Due to the monetary value, assets deleted from the fixed asset system, whatever the reason, will require authorization from the Board of Education.

The staff member controlling the asset is the one to trigger removal from the Fixed Asset records. Removal is accomplished by obtaining authorization from a supervisor or building administrator, and then forwarding it to the Business Manager for approval by the Board of Education.

MODIFICATIONS

Larger assets such as major pieces of equipment, and many buildings/structures are often modified to increase their lifetime or usefulness. Modifications may include partial additions or deletions, major repairs (new engine for bus), or component replacement (new roof, heating system, etc.).

INVENTORY

A physical inventory will be conducted annually to verify the existence and condition of all items in the fixed asset records. When reconciled, the inventory provides evidence that staff members are meeting their stewardship duty over their assets. An inventory may also help the staff plan for future purchases by identifying unanticipated wear and tear of equipment before the equipment breaks down or is unusable. The Business Office, together with the Buildings and Grounds and Information Technology Departments are responsible for verifying the annual inventory.

All buildings/structures with an original value of \$20,000 or more must be added to the fixed asset system. All equipment with an original value of \$5,000 or more must also be added to the fixed asset system.

LOST OR STOLEN ASSETS

Whenever an asset in the Fixed Assets System has disappeared and all efforts have failed to recover it, the controlling staff member shall notify their immediate supervisor. The supervisor will notify the Business Manager and appropriate action taken. If the asset is not recovered within ninety days, the asset will be removed from the asset inventory.

Adoption date: February 25, 2015

CLAIMS AUDITOR

The Board may appoint an internal claims auditor who shall hold the position subject to the pleasure of the Board. No person shall be eligible for appointment to the office of internal claims auditor who shall be:

- a) A member of the Board;
- b) The Clerk or Treasurer of the Board;
- c) The official of the District responsible for business management;
- d) The Purchasing Agent;
- e) Clerical personnel directly involved in accounting and purchasing functions.

Valid claims against the District shall be paid by the Treasurer only upon the approval of the Internal Claims Auditor. The internal auditor shall:

- a) Examine all claim forms with respect to the availability of funds within the appropriate codes;
- b) Verify that the proposed payment is for a valid and legal purpose;
- c) Verify that the obligation was incurred by an authorized district official;
- d) Verify that the items for which payment is claimed were in fact received or, in the case of services, that they were actually rendered;
- e) Verify that the obligation does not exceed the available appropriation; and
- f) Verify 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.

The claims auditor shall provide periodic reports as may be requested by the Board.

Cross-ref: 6680, Internal Audit Function

Ref: Education Law §§1604 (35); 1709(20-a); 1724; 2509; 2526; 2554(b)
8 NYCRR §170.2
Matter of Levy, 22 EDR 550 (1983)

Adoption date: 6/19/2013

Updated on: 2/14/2018

INDEPENDENT/EXTERNAL AUDITS

The Board by law shall obtain an annual audit of its records by an independent certified public accountant or an independent public accountant, and a copy of the certified audit in a form prescribed by the Commissioner must be accepted by the Board and furnished annually to the State Education Department. In addition to the annual audit, the District shall be subject to State audits conducted by the State Comptroller.

In accordance with law, no audit engagement shall be for a term longer than five (5) consecutive years. The District may, however, permit an independent auditor engaged under an existing contract for such services to submit a proposal for such services in response to a request for competitive proposals or be awarded a contract to provide such services under a request for proposal process.

Cross-ref: 6600, Fiscal Accounting and Reporting
6690, Audit Committees

Ref: Education Law §2116-a(3) and (b)

Adoption date: 6/19/2013

EXTERNAL AUDIT GUIDANCE FOR SCHOOL DISTRICT OFFICIALS

The Five Point Plan for increasing school district financial oversight and accountability includes a provision to enhance the effectiveness of external audits by:

- Requiring CPAs to present audit results directly to school boards.
- Require a formal school district response to the management letter and a corrective action plan for any reportable conditions.
- Provide guidance on internal controls and audit testing, including specific types of testing and suggested level of detail.

The following list provides some specific examples of the audit guidance that will be helpful to school districts in working with their CPAs in order to enhance the effectiveness of the audit process and help assure school district officials that their annual independent audit is providing effective accountability. The list may be helpful to school board members and district officials as they participate in the annual financial audit process.

Prudent use of taxpayer dollars

Goods and services are procured in a manner so as to assure the prudent and economical use of public moneys in the best interest of the taxpayers.

- A comprehensive test of cash disbursements that includes sample testing of procurement for compliance with laws, rules, regulations and policies/procedures for competitive purchasing, bidding or use of state or county contracts. Controls designed to prevent purchasing from businesses owned or controlled by officers, employees or other related parties should also be reviewed and tested. Tests of transactions are expected to include verification that goods or services were properly authorized, received by the district, charged to the proper appropriation accounts and audited prior to payment. This testing should include review of requisitions, purchase orders, receiving slips, vouchers, invoices, cancelled checks, and postings to the accounting records.
- A review of the district's policies and procedures for procuring goods and services that are not subject to competitive bidding requirements, including sample testing of cash disbursements to ensure the district complied with its procurement policies and acquired goods and services of maximum quality at the lowest possible cost under the circumstances. This test will also help assure the district's procedures guard against favoritism, fraud and corruption.
- Expense reimbursements or other payments to board members, administrators and other district personnel should be tested to verify compliance with board policies, reasonableness, appropriateness of payment, and documentation of expenses.
- Expenditures for meals and refreshments at meetings and purchases with credit cards should be reviewed for reasonableness.
- A comprehensive test of payroll disbursements that includes verification of the existence of the employee, authorization, time worked, accuracy of rates, overtime payments and distributions to

appropriate expenditure categories by tracing from time records through the payroll records to the cancelled check. Testing of accounting records should also be performed such as payroll summaries and payments of taxes and other withholdings.

Sound internal control structure

A sound internal control structure is in place and internal controls are appropriately designed and operating effectively.

- A sufficient understanding of the school district's system of internal controls including the district's control environment, control activities, system for risk assessment, information and communication, and monitoring. This audit procedure should also include a documented understanding of controls over the school district's computer systems that are significant to audit objectives.
- Testing of controls deemed significant to the audit's objectives. For example: observing district personnel actually performing the control procedures in the regular course of operations; examining documents and looking for evidence of approvals, sign-offs, etc.; and replicating a control procedure to test whether it was applied correctly.
- Analytical procedures should be performed to identify unusual trends, activities or transactions. Revenue and expenditure trends should be reviewed over a number of years, and significant budget variances investigated. Control and detail records for budget, revenue, payroll, procurement, capital project and capital asset activities should be scanned for questionable trends or entries, and unusual items investigated.
- A sample of budget amendments should be checked to verify they were completed before appropriations were over-expended to verify budget control over district expenditures.
- Documentation of how the evaluation of the district's control structure and the results of the analytical reviews will affect the audit approach for testing of controls and tests of transactions. This documentation should include the auditor's consideration of the risk of fraud, illegal acts, abuse, or violations of contract/grant provisions, and the impact these risks will have on audit testing.

Assets are safeguarded

School district assets are safeguarded against loss, waste and abuse.

- Verification that a current asset inventory system is in place.
- Physical inspection of assets and personal property items, especially those items most susceptible to theft and abuse (e.g. computers, televisions, video equipment).
- Verification of adequacy of insurance coverage for assets and for employees with authorized access to those assets.

PETTY CASH/PETTY CASH ACCOUNTS

A petty cash fund of not more than one hundred dollars (\$100) shall be maintained in the District Office and School Store, and fifty dollars (\$50) Aquatic center. Payments from petty cash funds may be made for materials, supplies or services only when payment is required upon delivery. At the time of reimbursement, an itemized statement of expenditures, together with substantiating receipts, shall be submitted. Sales tax on purchases will not be paid by the School District from petty cash accounts. Such accounts shall be authorized by Board resolution at their annual meeting.

Appropriate regulations shall be developed for implementation of this policy.

Cross-ref: 6700, Purchasing

Ref: Education Law §§1604(26); 1709(29)
8 NYCRR §170.4

Adoption date: 6/19/2013

Updated on: 2/14/2018

PETTY CASH ACCOUNTS REGULATION

Petty cash should be used for incidental items of expense up to twenty-five dollars (\$25). The cost of money orders or cashier checks can be included.

Disbursement of Cash

- 1) Petty cash expenditures must be covered by a printed voucher form. This should be completed and signed by the person receiving reimbursement from the fund.
- 2) All purchases reimbursed by petty cash must be evidenced by a receipt, sales slip, canceled check or some proof of purchase.
- 3) Vouchers must be approved by the custodian of petty cash funds, which is Treasurer, Swimming Pool Director School Store or Faculty Designee. Until the final claim is submitted, use the vendor number assigned to the custodian of petty cash.
- 4) Do not mingle cash collected from books, fines, fees, etc., with petty cash funds.

Replenishing of Funds

- 1) Petty cash funds may be replenished periodically as soon as one half (1/2) of the fund has been disbursed.
- 2) Petty cash expense can be charged to any regular budget code.
- 3) A claim form and petty cash journal record is required when submitting a claim. These reports together with the signed vouchers and receipts must be forwarded to the Business Office each time the fund is to be replenished.
- 4) Accounts Payable verifies the coding of each petty cash receipt. If changes are made by the Business Office, the custodian of petty cash is notified.
- 5) After verification has taken place checks are made out to the custodian of petty cash.
- 6) Checks are forwarded to the custodian of petty cash following review by the Internal Claims Auditor.
- 7) The petty cash report form must be submitted to the Business Office annually.

Safeguarding Funds

- 1) Funds should be reconciled periodically by an employee independent of the custodian.
- 2) Aquatic Center and School Store petty cash must be returned to the working fund for the District before June 30. A reminder will be forwarded during June.

Adoption date: 6/19/2013

Updated on: 2/14/2018

INTERNAL AUDIT FUNCTION

The Board of Education recognizes its responsibility to ensure sound fiscal management of the district. To this end, the Board may establish an internal audit function to carry out the following tasks:

- Develop an annual risk assessment of district fiscal operations which shall include but not be limited to:
 - a. a review of financial policies and procedures,
 - b. the testing and evaluation of district internal controls;
- An annual review and update of such risk assessment; and
- Prepare reports, at least annually or more frequently as the Board may direct, which:
 - a. analyze significant risk assessment findings,
 - b. recommend changes for strengthening controls and reducing identified risks, and
 - c. specify timeframes for implementation of such recommendations.

Personnel or entities performing this function shall report directly to the Board. The district's audit committee shall assist in the oversight of this internal audit function.

Cross-ref: 6690, Audit Committee

Ref: Education Law §2116-b

Adoption date: 6/19/2013

Updated on 2/14/2018

MEDICAID COMPLIANCE

The Board of Education recognizes its obligation to put a plan and program in place to prevent or otherwise detect fraud, waste and abuse in the Medicaid program. In general, the Board expects that its officers and employees will operate with integrity and in conformance with its adopted code of ethics (policy 2160). The Board directs the Superintendent and the Business Manager to ensure that the following program elements are in place and are implemented effectively:

1. Written procedures: Accompanying this policy, and the cross-referenced policies listed below, are more detailed procedures and descriptions of how each element of the compliance program will be implemented. Written procedures will address how the district will accomplish the following:

a. ***Keep informed regarding Medicaid coverage:*** The Director of Pupil Personnel Services will keep abreast of services that are covered by Medicaid so that the district files claims appropriately. The Board expects that district staff and/or contractors and agents will avoid filing false claims which would subject the district to civil and criminal liability.

b. ***Prohibit use of “excluded” providers:*** Ensure that the district doesn’t hire or contract with service providers who have been excluded from Medicare or the Medicaid program. The Director of Pupil Personnel Services will check the credential of the provider before the district engages their services. District employees will be required to sign an agreement that said employee will inform the Compliance Officer and district human resource administrator upon receipt of any notification or knowledge that the individual’s license has been suspended, revoked or lapsed, or if they have been excluded from participation in the Medicaid program. Upon notice by the employee, the district will take remedial steps as soon as possible. Contracts with outside providers will include provisions to address this requirement.

c. ***Monthly review of providers:*** The Human Resources and Benefits Coordinator will check the list of excluded providers monthly to determine if any district employees who deliver Medicaid-covered services, or if any contractors, have been added to the list or have been reinstated. If any have been excluded, it will be reported immediately to the Superintendent who will initiate remedial action.

2. Appoint a Compliance Officer, who is an employee, vested with responsibility for the day-to-day operation of the program: The Board will appoint a Medicaid Compliance Officer at its annual organization meeting. The role of the Compliance Officer shall be to oversee the compliance program, receive and promptly investigate reports of noncompliance and report findings as appropriate to the Medicaid Inspector General, as well as to the Board of Education and Superintendent. The Compliance Officer will report to the Board fraud, significant findings or patterns of noncompliance.

3. Training and education of officers and employees: All employees involved in Medicaid covered services, as well as those responsible for oversight, will receive annual training in accordance with state and federal requirements. Board members will also receive appropriate training so that they can fulfill their responsibilities. The district will keep appropriate records documenting the training program.

4. Lines of communication: The district will work towards ensuring that its culture encourages communication among all parties involved in the Medicaid compliance program. The New York State Education Department and Health Department outlined the requirements of a disclosure mechanism that enables employees to report anonymously any practice or billing procedure that the employee deems inappropriate to the district's Compliance Officer and/or the State's Compliance Officer. The district will inform employees of this mechanism in conformance with that policy.

5. Disciplinary consequences for school employees: Failure of district employees to comply with this policy, and the reporting requirements pursuant to policy 9645, may result in a range of disciplinary actions, up to and including termination, in conformance with applicable laws and collective bargaining agreements

6. A system to routinely identify compliance risk areas: Medicaid claims will be included as part of the district's risk assessment. The claims will be reviewed as part of the district's risk assessment at a minimum or as directed by the Audit Committee or Board of Education. In addition, the Medicaid claims function will be tested and reviewed as part of the district's internal audit plan routinely, or as directed by the Audit Committee or Board of Education. When the internal audit reveals weaknesses, a corrective action plan will be initiated by the Superintendent.

7. A system for responding to compliance issues: The district's program will include mechanisms to ensure that compliance issues are responded to appropriately as they are raised. The compliance officer, as noted in number 2 above, is responsible for ensuring that the system for receiving reports and responding appropriately is implemented.

8. Non-Retaliation: The Compliance Officer and Board is charged with responsibility for enforcing district policy 9645, Disclosure of Wrongful Conduct, which protects individuals who, in good faith, report or investigate suspected cases of fraud, waste or abuse in the district's Medicaid program from retaliation or intimidation.

The Medicaid Compliance Program is part of a comprehensive effort to manage all of the district's resources and is in conformance with the Five Point Plan which was enacted by Chapter 263 of the Laws of 2005 and includes the following elements:

1. Claims Auditor – (policy 6650) – establishes that the Board will either act as claims auditor for the district or appoint one. The claims auditor is responsible for examining, allowing or rejecting all charges, claims or demands against the district.
2. Independent External Audit – (policy 6660) – establishes that the district will obtain an annual audit of its records by an independent public accountant.
3. Internal Audit Function – (policy 6680) – establishes an internal audit function to develop an annual risk assessment and provide reports to the Board at least annually, or upon request.
4. Audit Committee – (policy 6690) – establishes the composition and charge of the audit committee. The committee shall recommend internal and external audit plans to the Board, as well as receive and review audit reports.
5. Board Member Training – (policy 2510) – Board members will be trained on their fiscal oversight, accountability and fiduciary responsibilities.

The ongoing review and implementation of these policies address Medicaid compliance, as well.

The Superintendent is responsible for developing regulations which will further detail the procedures associated with this policy. The Board will periodically review and update this policy and the associated plan.

Dissemination of Policy

The Board directs the Superintendent to ensure that this policy, as well as the cross-referenced policies, are disseminated to employees as well as those entities providing Medicaid covered services, with particular attention to those employees involved in administering the programs and services associated with Medicaid and their billing.

Cross-ref: 2160, School Board Officer and Employee Code of Ethics
2210, Board Organizational Meeting
2520, Board Member Training
6650, Claims Auditor
6660, Independent External Audit
6680, Internal Audit Function
6690, Audit Committee
9645, Disclosure of Wrongful Conduct
9700, Professional Development

Ref: False Claims Act, 31 U.S.C. §3729, et seq.
State Finance Law §§187 et seq. (New York False Claims Act)
Social Services Law §§145-b (False Statements); 145-c (Sanctions);
363-d (Provider Compliance Program)
Labor Law §740 (Prohibits Retaliation)
18 NYCRR §§521.1 et seq. (Provider Compliance Program regulations)

Adoption date: 6/19/2013

AUDIT COMMITTEE

The Board of Education will designate and appoint an Audit Committee for purposes of overseeing and carrying out the Board's audit policies and the performance of related duties and responsibilities. The district's Audit Committee shall be comprised of at least three members. At least three members shall be appointed to serve on the committee on an annual basis. Employees of the school district are prohibited from serving on the committee.

The Audit Committee shall:

1. Recommend internal and external audit plans to the Board, specifying the areas of District operations to be reviewed for compliance with legal and regulatory requirements, operating efficiency and effectiveness;
2. Receive and review the resulting audit reports; and propose recommendations to the Board for action as may be necessary and appropriate;
3. Receive and review the report of the external auditor on any findings commented on during the annual audit report, and the management response thereto, and propose recommendations to the Board for action as may be necessary and appropriate;
4. Oversee the selection of the internal auditor and the external auditor, pursuant to the relevant Board policies, and make recommendations to the Board for appointment to said positions; and
5. Perform any other responsibilities outlined by the Board and/or as listed in the District's Audit Committee Charter.

The audit committee may conduct an executive session in accordance with law and Commissioner's regulation. Any member of the board of education who is not a member of the audit committee may be allowed to attend an executive session if authorized by a resolution of the board of education.

It is not the intent of the Board of Education that the Audit Committee participate in or be responsible for the day to day operations of the school district or in the decisions that are the responsibility of the Superintendent of Schools or Business Manager, or the other district administrators.

Ref: Education Law §2116-c
8 NYCRR §170.12 (d)

Adoption date: 6/19/2013

AUDIT COMMITTEE CHARTER
Audit Committee Authority

In a board resolution dated November 30, 2005, the Board of Education established an audit committee pursuant to Education Law §2116-c, to assist the Board of Education in the oversight of both the internal and external audit functions. *According to §2116-c (4), the role of an audit committee shall be advisory and any recommendations it provides to the Board shall not be substituted for any required review and acceptance by the Board of Education.* The District's additional Board of Education Policy 5572 also states that any member of the Board who is not a member of the Audit Committee may be allowed to attend such committee's meetings if authorized by a Board resolution. Also, the Audit Committee shall consist of at least three (3) members who shall serve without compensation but shall be reimbursed for any actual and necessary expenditures incurred in relation to attendance at meetings. Members shall not be required to be residents of the District.

Mission

The Board of Education has established an audit committee to provide independent assistance to the Board in the oversight of the following matters:

- Assist the Board in providing oversight of the internal and external audit functions, including the appointment of the internal and external auditors.
- Oversee the competitive Request for Proposal Process (RFP) used to solicit quotations for the District's annual external audit.
- Review the scope, plan and coordination of the external audit.
- Provide a communications link between the external and internal auditors and the Board.

Composition and Requisite Skills

The Board's *Audit Committee for Taconic Hills is comprised of a minimum of three (3) members with staggered three-year terms. The committee will be comprised of no more than a total of six (6) members. At no time will more than three (3) members of the Board of Education serve on the audit committee. The Board of Education may appoint non school board members to the audit committee. Applicants for the position of a non-school board member audit committee member must submit their application, résumé, and a completed Candidate Questionnaire by June 1st of the preceding school year in which they will be appointed. A review of each community member's skill set will be evaluated to determine their ability to serve on the committee. Community members shall be appointed by a majority vote of the Board of Education prior to serving. The full Board of Education will annually appoint a school board member who shall serve as the Chairperson for the committee.*

In subsequent years beyond the first year of this Audit Committee, school board members must hold at least a majority of the Audit Committee seats. Furthermore, when a school board member's term expires, so, too, does that person's Audit Committee membership, unless he/she is re-elected.

The Committee members collectively should possess the expertise and experience in accounting,

auditing, financial reporting and school district finances needed to understand and evaluate the school district's financial statements, the external audit of those statements and the district's internal audit activities. Accordingly, the Audit Committee's members should be expected to:

- Possess the requisite skills and experience necessary to understand technical and complex financial reporting issues.
- Have the ability to communicate with, and offer advice and assistance to, public finance officers and auditors.
- Be knowledgeable about internal controls, financial statement audits and management/operational audits.
- Possess appropriate communication skills for enhancing the committee's ability to function, to communicate with the entire Board and to conduct discussions, where necessary, with the central administration.

Duties and Responsibilities

The duties and responsibilities of the Board Audit Committee include the following:

External Audit Focus

- Recommend selection of the external auditor to the Board of Education.
- Meet with the external auditor prior to commencement of the audit to review the engagement letter.
- Review and discuss with the external auditor any risk assessment of the district's fiscal operations developed as part of the auditor's responsibilities under governmental auditing standards for a financial statement audit and federal single audit standards, if applicable.
- Review the external auditor's assessment of the district's system of internal controls.
- Receive and review the draft annual audit report and accompanying draft management letter and, working directly with the external auditor, assist the Board of Education in interpreting such documents.
- Make a recommendation to the Board of Education regarding acceptance of the annual audit report.
- Review any corrective action plan developed by the school district and assist the Board of Education in the implementation of such plans.

Internal Audit Focus

- Make recommendations to the Board of Education regarding the appointment of the internal auditor and internal claims auditor.
- Assist in the oversight of the internal audit function.
- Review the annual internal audit plan to ensure that high risk areas and key control activities are periodically evaluated and tested.
- Review the results of internal audit activities and significant recommendations and findings of the internal auditor and the internal claims auditor.
- Monitor implementation of the internal auditor's recommendations (and those of the internal claims auditor) by management.
- Provide input on the performance evaluation of the internal auditor and the internal claims auditor.

Administrative Matters

- Hold regularly scheduled meetings at least four (4) times per school year.
- Administer other related duties as prescribed by the Board of Education.
- Review and recommend revisions when necessary of the Audit Committee Charter.

Membership

The membership duties of the Board Audit Committee include the following:

Good Faith - Members of the Committee shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Committee and the District with such care as a generally prudent person in a similar position would use under similar circumstances.

Independence - The following individuals would be precluded from being an Audit Committee member:

- Someone currently or previously employed by the District during the past three (3) years.
- Someone currently or previously providing services contractually to the District during the past two (2) years.
- Someone of the immediate family (husband, wife & any children and their spouses or domestic partner of an individual who is or has been in any of the past three (3) years, employed by the district in a full-time capacity, providing services contractually to the District or contractually related to the District as a board member or an administrator.
- Someone who is a partner in, a controlling owner or an executive of, any for-profit business to which the district made, or from which the district received payments that are or have been significant [any amount disqualifies the person] to the district or the for-profit business entity in any of the past five (5) years.

Confidentiality - During the exercise of duties and responsibilities, the Committee members may have access to confidential information but only as it pertains to the role and function of the Audit Committee. The Committee shall have an obligation to the district to maintain the confidentiality of such information.

Oath of Office - All non-board members, who are members of the Audit Committee, should be administered the district's oath of office by the District Clerk.

Audit Committee members who miss three (3) consecutive meetings without the committee's prior approval may be dismissed from the Committee by the Board of Education.

Meetings and Notification

The Board Audit Committee shall meet a minimum of four (4) times each year. An agenda of each meeting should be clearly determined in advance and the Audit Committee should receive supporting documents in advance, for reasonable review and consideration. *Any member of the Board of Education, who is not a member of the Audit Committee, may attend audit committee meetings if authorized by a resolution of the Board.*

AUDIT COMMITTEE CHARTER

The Audit Committee shall prepare minutes of each meeting. At a minimum, the minutes will include the following:

- Copies of the meeting agenda
- Date, attendance and location of the meeting
- Except as otherwise provided by law in connection with executive sessions, summaries of the topics discussed, and all motions, proposals, resolutions and any other matter formally voted upon and the vote thereon, including recommendations agreed to by the committee.
- As appropriate copies of materials discussed or presented at the meeting
- A record of all actions or recommendations agreed to by the committee

Decision-Making Process

All decisions of the Audit Committee shall be reached by consensus of those members present at the meeting. Consensus is defined as an acceptable solution that all can agree to support. If consensus cannot be reached, polling of the voting membership will take place and simple majority will rule. A quorum constitutes a simple majority of the total membership, and meetings will not be conducted unless a quorum is present.

Reporting Requirements

The Audit Committee has the duty and responsibility to report its activities to the Board of Education. Periodic reports of Audit Committee activities are an important communication link between the Audit Committee and the Board on key decisions and responsibilities. The Audit Committee's reporting requirements are to:

- Report on the scope and breadth of committee activities so that the entire Board of Education is kept informed of its work.
- Provide minutes of meetings and work sessions which clearly record the actions and recommendations of the Committee.
- Report on their review of the District's draft annual audit report and accompanying management letter and their review of significant findings and recommendations of the internal auditor and internal claims auditor.
- Report on suspected fraud or abuse or material defects in the internal control systems.
- Report on material or significant non-compliances with laws or District policies and regulations. Report on any other matters that should be disclosed to the Board of Education.

Review of the Charter

The Audit Committee of the Taconic Hills Central School District shall assess and report to the Board of Education on the adequacy of this Charter no less than on an annual basis or as necessary. Charter modifications, as recommended by the Audit Committee, should be presented to the Board of Education in writing for their review and action at least one (1) week prior to that scheduled meeting of the Board of Education.

Adoption date: 6/19/2013
Updated on: 2/14/2018

PURCHASING

The Board of Education views purchasing as serving the educational program by providing necessary supplies, equipment and related services. Purchasing will be centralized in the business office under the general supervision of the Purchasing Agent designated by the Board.

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.

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. Specifically, the Purchasing Agent will abide by the rules and regulations associated with applying for telecommunications service discounts through the Universal Service Fund (E-Rate), in addition to complying with the local purchasing policies set forth by the Board. As with all purchasing activity, appropriate documentation of the application and purchase through any federal program will be maintained by the business office.

Purchases of apparatus, materials, equipment or supplies, or contract for services related to the installation, maintenance or repair of apparatus, materials, equipment, and supplies may be obtained through the use of a contract let by the United States of America or any agency thereof; any state; or any other political subdivision or district therein ("piggybacking"), provided that:

a. the contract was let to the lowest responsible bidder or on the basis of best value in a manner consistent with the New York General Municipal Law, section 103;

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b. the contract was made available for use by other governmental entities by the issuing governmental entity.

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 for procurements:

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

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

1. to effectively supply all administrative 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 will 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. 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.

The Purchasing Agent will not be required to secure alternative proposals or quotations for:

1. emergencies where time is a crucial factor;
2. procurements for which there is no possibility of competition (sole source items); or
3. very small procurements when solicitations of competition would not be cost-effective.

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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 administrators 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: 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; 104-b; 109-a; 800 et seq.

State Finance Law 163-b

Adoption date: July 7, 2015

PURCHASING REGULATION

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

I. Definitions

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

Public Work Contract: a contract involving services, labor or 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.

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 Purchasing Agent will be authorized to open and record bids. Contracts will be awarded to the lowest responsible bidder (as recommended by the Purchasing Agent), who has furnished the required security after responding to an advertisement for sealed bids.

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. Proper written documentation will also be required when a contract is not awarded to the vendor submitting the lowest quote, setting forth the reasons therefore. A quote which exceeds the bid limit will be awarded only when such award is in the best interests of the district and otherwise furthers the purposes of section 104-b of the General Municipal Law. The district will provide justification and documentation of any such contract awarded.

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.

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 \$1,000: Verbal quotes
Documentation will include notations of verbal quotes.
- b. Contracts in excess of \$1,000 to \$20,000: Written quotes

2. Public Work Contracts up to \$35,000

- a. Contracts from \$1,000 to \$10,000: Verbal quotes
Documentation will include notations of verbal quotes.
- b. Contracts in excess of \$10,000 to \$35,000: Written quotes

3. Emergencies: Verbal quotes, insofar as practicable under the exigent circumstances
Documentation will include notations of verbal quotes.

4. Insurance: Written quotes

Documentation 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. "Requests for Proposals" (RFPs), documented in the same manner as described herein, may also be used.

5. Professional Services: RFP (see policy 6741)

Documentation will include written proposals.

6. Leases of Personal Property: Written quotes

Documentation will include written quotes, cost-benefit analysis of leasing versus purchasing, etc. The district will note that the contract is a true lease and not an installment purchase contract.

7. Second Hand Equipment from Other Governments: Written quotes

Documentation will include market price comparisons (verbal or written quotes) and the name of the government.

8. Certain Food and Milk Purchases: Written quotes

Documentation will be consistent with sections 114.3 and 114.4 of the Regulations of the Commissioner of Education.

9. Certain Municipal Hospital Purchases: RFP

Documentation will include the legal authorization, Board authorization, and market price comparisons.

10. Sole Source: Written or verbal quotes

Documentation will include, among other things, the unique benefits of the patented item as compared to other items available in the marketplace; that no other item provides substantially equivalent or similar benefits; and that considering the benefits received, the cost of the item is reasonable, when compared to conventional methods. Notations of verbal quotes will be maintained by the district. In addition, the district will document that there is no possibility of competition for the procurement of the goods.

VI. Quotes Not Required When Competitive Bidding Not Required

The district will not be required to secure alternative proposals or quotations for those procurements:

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

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 administrators 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: July 7, 2015

**Explanations of Other Methods of Competition to Be Used For
Non-Bid Procurements**

Emergencies: Informal solicitation of quotes or otherwise, to the extent practicable under the circumstances

Second-Hand Equipment from Federal and State Governments: Section 103(6) of the General Municipal Law provides a statutory exception to the competitive bidding requirement by permitting the purchase of surplus and second-hand supplies, materials or equipment without competitive bidding from the federal or state governments or from any other political subdivision or public benefit corporation with the state.

Certain Food and Milk Purchases: Section 103(a) and (10) of the General Municipal Law provides a statutory exception to the competitive bidding requirement by permitting a Board of Education to separately purchase eggs, livestock, fish and dairy products (including milk), juice, grains and species of fresh fruits and vegetables directly from producers, growers or certain processors without bidding.

Sole Source: Section 103 of the General Municipal Law provides a statutory exception to the competitive bidding requirement in limited situations where there is only one possible source from which to procure goods or services required in the public interest (such as in the case of certain patented goods or services or public utility services).

Adoption date: 6/19/2013

Update: 7/7/2015

PURCHASING AUTHORITY

The Board of Education designates the Business Manager 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: Education Law §1709(20-a)
Gen. Mun. Law §104-b(2)(f)

Adoption date: 6/19/2013

USE OF THE DISTRICT CREDIT CARD

The School District will issue a credit card in its name to the Superintendent of Schools for the use of its officer and designated employees for authorized expenses only. However, authorize personnel must submit purchase orders for those related expenses prior to the use of the credit card as is practical.

The credit card will only be for those purchases of goods and services that require a credit card and do not accept other payment methods. Any other reason for credit card use must be approved by the Superintendent of Schools, prior to use.

Expenses incurred on each credit card shall be paid in such a manner as to avoid interest charges. The credit cards shall be locked in a secure place in the Business Office.

Any individual who makes an unauthorized purchase with a School District credit card shall be required to reimburse the School District for the purchase immediately.

Adopted on: 6/19/2013

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: 6/19/2013

PURCHASING PROCEDURES REGULATION

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

Function Performed by

A. Requisition Initiated by user

Sent to proper official for approval

Copy retained by school

B. Specifications Prepared in detail by Purchasing Department after consultation with requisitioner and made available to prospective contractors or vendors.

C. Bids or Quotations Checked and tabulated by Purchasing Department 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; purchase orders signed by Purchasing Agent or the Superintendent of Schools.

E. Follow-Up by Purchasing Department

F. Receipt of Goods Person other than requisitioner signs receiving copy of Purchase Order and forwards same to Purchasing Department 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 Department.

H. Invoice Approved by Supervisor giving rise to the claim and auditor after receipt of goods is acknowledged by requisitioner

Adoption date: 6/19/2013

Updated on: 2/14/2018

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 **Business Manager** 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 **five 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, in consultation with the **Business Manager** will recommend the professional service provider best suited to the district to the Board of Education 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: 6/19/2013

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. The Board directs the Superintendent to establish procedures to reasonably ensure the accuracy and integrity of the payroll system.

A duly certified payroll is one that has been examined and approved by the Superintendent of Schools, or in his/her absence, the **President of the Board of Education**. It shall be the responsibility of the Business Manager and his/her staff to prepare all payrolls.

Payroll procedures are outlined in the Business Office Internal Control Manual.

Cross-ref: 6740, 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: 6/19/2013
Updated on: 2/14/2018

EXPENSE REIMBURSEMENT

School district employees, officials and members of the Board of Education will 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. Transportation costs such as taxi cabs are allowable only for essential transportation. Mileage will be paid at the rate fixed by the Board of Education at its reorganizational meeting. Tax exemption certificates shall be issued and utilized as appropriate.

The Superintendent or designee shall determine, in the first instance, whether attendance by district staff at any conference or professional meeting is in the best interest of the district and eligible for reimbursement of expenses under this policy.

To obtain reimbursement, the claimant must complete and sign an expense voucher, attach all receipts or other expense documentation, and submit the same to the appropriate administrator. Reimbursement shall only be made after such claim has been audited and allowed.

Regulations concerning expense reimbursement shall be attached to this policy and shall be reviewed annually and revised as appropriate.

Ref: Education Law §§1604(27); 1709(30); 1804; 2118; 3023; 3028
General Municipal Law §77-b

Adoption date: 6/19/2013
Updated on: 2/14/2018

EXPENSE REIMBURSEMENT REGULATION

The district shall reimburse district employees, officials and members of the Board of Education for reasonable, actual and necessary out-of-pocket expenses incurred while traveling for school-related business upon receipt of a completed voucher with itemized receipts along with approved attendance form. The following rules shall guide the reimbursement of school-related travel expenses:

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 Board of Education. Parking and tolls will also be reimbursed.
- Rental car expenses will be reimbursed only if authorized in advance. Receipts must be attached.
- Air travel is only allowed when determined by the Board President or the Superintendent 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.

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

Reimbursable meal charges, including gratuities, for persons traveling for district-related business shall be as follows:

- | | | | |
|-------------|---------|----------------|---------|
| • Breakfast | \$ 7.00 | OR Daily Total | \$41.00 |
| • Lunch | \$11.00 | | |
| • Dinner | \$23.00 | | |

Personal Expenses

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.

Adoption date: 6/19/2013

Updated on: 2/14/2018

DISPOSAL OF DISTRICT PROPERTY

Building administrators and support staff supervisors 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 School Business Manager 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
3. sell remaining items as scrap for the best obtainable amount or discard in the safest, least expensive manner.

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: July 12, 2016