

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 efficiency 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 is 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 to 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.

First Reading:	November 15, 2005
Second Reading:	December 20, 2005
Adopted:	December 20, 2005
Effective Date:	December 20, 2005

ANNUAL BUDGET

The school budget is the legal basis for the establishment of the tax levy. It is the official document that describes the programs to be conducted during a given period of time. It is the operational plan, stated in financial terms, for the conduct of all programs in the school system.

The annual school budget process is important to school district operations and serves as a means to improve communications within the school organization and with the residents of the school community.

The budget will include three components (to be voted upon as one proposition):

1. *Program component*, including all program expenditures of the district, including the salaries and benefits of teachers who spend a majority of their time performing teaching duties, and all transportation operating expenses;
2. *Capital component*, including all transportation capital, debt service and lease expenditures; costs resulting from court judgments, administrative orders or settled or compromised claims; and all facilities costs of the district, including facilities lease expenditures, annual debt service and total debt for all facilities financed by bonds and notes of the district, and costs of construction, acquisition, reconstruction, rehabilitation or improvement of school buildings, and expenditures associated with custodial salaries and benefits, service contracts, supplies, utilities, and maintenance and repair of school facilities;
3. *Administrative component*, including office and central administrative expenses, traveling expenses, and compensation, salaries and benefits of school administrators and supervisors, all expenditures associated with the operation of the school board, the office of the Superintendent of Schools, general administration, the school business office, any consulting costs not directly related to direct student services and programs, planning, and all other administrative activities.

In addition, each component must be separately delineated in accordance with Regulations of the Commissioner. The budget will categorize revenues, property tax refunds, expenditures, budget transfers and fund balance information, and will be formatted to show changes in the data as compared with the previous year. Finally, the budget will be written in plain language and organized in a manner which best promotes the public's understanding of its contents.

The budget will be completed at least seven days before the public hearing at which the Board will present the budget to the voters. Copies of the budget will be made available upon request to residents within the district (not just district taxpayers) during the 14 days preceding the date of the annual election and budget vote at each school building in the district, at the school district offices, and at any public library or free association library within the district, between the hours of 9:00 a.m. and 4:00 p.m. on each day other than Saturday, Sunday or holidays, and on the school website. In addition, at least once during the school year, the Board will include in a district-wide mailing, including notice of the budget vote and development.

The following documents will be attached to the budget:

- a detailed statement of the total compensation to be paid to the Superintendent of Schools, and any assistant or associate superintendent in the coming school year, including a delineation of the salary, annualized cost of benefits and any in-kind or other form of remuneration;
- a list of all other school administrators and supervisors, if any, whose annual salary will be at or above the amount designated by the State Education Department in the coming year, along with their title and annual salary;
- a school district report card detailing the academic and fiscal performance of the district;
- a property tax report card prepared pursuant to the Education Law and the Regulations of the Commissioner of Education, including information on the tax levy limit.

If the proposed budget increases the property tax levy by more than either 2% or the rate of inflation (whichever is less), it requires a supermajority of 60% in order to pass.

The Board may not submit the proposed budget or a related proposition to the voters more than twice. If the voters fail to approve the proposed budget or budget proposition after the second submission, or if the Board elects not to put the proposed budget to a public vote a second time, the Board must adopt a contingency budget with a tax levy of 0% increase (i.e., less than or equal to the tax levy of the previous year).

The Board may use district monies to present educational and informational material about the annual budget and related information to the voters. It shall not, however, use these funds to urge voters to cast their ballots in a particular fashion.

Ref: Education Law §§1608; 1716; 1804(4); 1906(1); 2008(2); 2021; 2002(1); 2022(2); 2023; 2023-a; 2035(2); 2601-a
 General Municipal Law §36
Phillips v. Maurer, 67 NY2d 672 (1986)
Fiscal Management (NYSSBA, 1997)
 Hartman, William T., “Participatory Budgeting in High School”, *Planning and Changing*, Spring 1989, vol. 20, no. 1.

Original, First Reading:	August 25, 2015
Original, Second Reading:	September 8, 2015
Original, Adoption Date:	September 8, 2015

BUDGET PLANNING

The Superintendent of Schools, with the assistance of the School Business Administrator, shall be responsible for preparation of the budget. This shall include developing a budget calendar in accordance with regulation 6110-R, and adhering to that calendar. The budget calendar shall be approved by the Board of Education in advance of the preparation of the district's annual budget. The process of budget planning and development should allow for community input and contain numerous opportunities for public information and feedback.

The budget shall be designed to reflect the Board's objectives for the education of the children of the district. It shall be carefully organized and planned to provide adequate accounting of each program expenditure, understanding of the financial needs of anticipated program developments, and be within the financial limitations of the district, taking into considering the statutory limits on the tax levy, and the possibility of voters overriding the limit if necessary. Although the immediate concern shall be for the ensuing fiscal year, budget projections shall be prepared for at least three (3) years beyond the one currently under consideration. To assist in budget and long-range planning, ongoing studies of the district's educational programs will include estimates of the fiscal implications of each program.

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

Cross-ref: 2260, Citizens Advisory Committees

Ref: Education Law §§1608(2)-(4); 1716(2)-(4); 1804(4); 1906(1); 2002(1);
2003(1); 2004(1); 2022(2); 260 I-a
Fiscal Management (NYSSBA, 1997)

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BUDGET PLANNING REGULATION

The budget calendar prepared by the School Business Administrator and approved by the Superintendent and Board of Education shall include:

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

The budget calendar will also set forth the name of every title who is assigned to perform a particular task with regard to the development of the budget. As part of the budget planning process, the Superintendent or School Business Administrator will evaluate:

- The educational philosophy, goals and objectives of the district and their modification where required;
- The education program and support systems such as transportation and business affairs;
- Census and enrollment projections;
- The condition of the physical plant for operation, maintenance needs, and new construction;
- Debt service schedules;
- The tax levy limit for the upcoming year and the possibility of the voters overriding the limit if necessary; and
- Estimated revenue from sources other than the property tax, such as state and federal aid.

In accordance with Commissioner's Regulations, the budget will be presented in three components, a program, capital, and administrative component, which are to be voted on as one (1) proposition. The law prescribes the types of items to be included in each component and further prescribes that all relevant costs be included in the components.

In addition, the Board of Education shall append to the proposed budget all documents as prescribed by law, including the Property Tax Report Card and the School District Report Card.

The Superintendent and Business Official shall be responsible for ensuring that all documents and reports are filed or made public on a schedule as determined by law.

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BUDGET HEARING

The Board of Education will hold an annual budget hearing at which it will present a detailed proposed budget for the following school year. The purpose of the budget hearing is to inform the public of the contents of the budget and to provide an explanation and justification for the decisions the proposed budget reflects.

The budget hearing will be held not less than seven (7) nor more than fourteen (14) days prior to the annual district election, at which the district's voters will vote on the budget. The proposed budget will be completed at least seven (7) days before the budget hearing. A copy of the proposed budget may be obtained by any district resident (not just district taxpayers) at each school, the school district offices, the Hampton Bays Public Library, during certain designated hours on each day (other than a Saturday, Sunday or holiday), and on the district's website during the 14 day period immediately preceding the annual district election.

Notice of the date, time and place of the annual budget hearing will be contained in the notice of the annual and budget vote.

Cross-ref: 1050, Annual District Election and Budget Vote
2120, School Board Elections
2120.1, Candidates and Campaigning

Ref: Education Law §§1608; 1716; 1804(4); 1906(1); 2002(1); 2003(1); 2004(1); 2002(1); 2601-a(2)

First Reading: August 25, 2015
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BUDGET ADOPTION

Final approval of the tentative budget rests with the Board of Education. The Superintendent of Schools and such members of his/her staff as he/she shall deem necessary, shall be prepared to explain and justify the budget to the Board. Final authorization of the budget rests with the voters of the district.

The proposed budget shall be presented to the voters of the district for adoption on the third Tuesday in May, unless, due to a conflict with religious observance, the Board requests that the Commissioner approve changing the election and budget to the second Tuesday in May. Such a request is due to the Commissioner by March 1st.

Individuals desiring to submit questions, propositions, or amendments to be placed on the ballot shall conform to the following requirements:

1. petitions must be filed with the District Clerk at least 30 days prior to the annual meeting and election, except for petitions relating to a proposition which must be included in the notice of the annual meeting (e.g., changing the number of board members). Such petitions must be submitted 60 days in advance of the annual meeting and election to facilitate the preparation and printing of the ballots;
2. unless otherwise required by the Education Law, said propositions shall be supported by petitions containing signatures of 25 voters or 5 percent of the number of eligible voters who voted in the previous annual election of members of the Board of Education, whichever is greater;
3. the proposition shall be stated clearly and concisely and is subject to revision as to length and form by the Board, while considering same for placement on the voting machine; and
4. any propositions which require the expenditures of monies must include the necessary specific dollar appropriation. Any proposition may be rejected by the Board if it fails to include the necessary specific appropriation and/or is not within the power of the voters.

Cross-ref: 1050, Annual District Meeting and Election
 6100, Annual Budget
 6110, Budget Planning
 6120, Budget Hearing
 6135, Contingency Budget

Ref: Education Law §§1804(4); 1906(1); 2002; 2003(1); 2004(1); 2013; 2017; 2022(1); 2023; 2601-a

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ADMINISTRATION OF THE BUDGET

The administration of the annual budget is an executive function which is the responsibility of the Superintendent of Schools and the administrative staff. Under the direction and control of the Superintendent, funds may be expended within budgetary appropriations without prior approval from the Board of Education.

The Superintendent shall acquaint district employees, through the administrative staff, with the full provisions of the budget and guide them in planning to operate effectively and economically.

Under the direction of the Superintendent, the Business Official shall maintain such accounting records as are or may be required by the New York State Uniform System of Accounts for School Districts or the Board, or as otherwise deemed necessary. The Business Official shall keep all of the various operational units in the school district informed of the status of their budgets through periodic reports.

Heads of administrative units are responsible to the Superintendent for operation of their units within budgetary amounts. The Board shall require periodic status reports on the budget.

Ref: Education Law §§1609; 1709(16); 1718; 1720; 2021; 2022; 2023; 2024

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BUDGET TRANSFERS

The transfer of funds between and within functional unit appropriations of the General Fund is commonly required during the school year. The Superintendent of Schools, in accordance with the Regulations of the Commissioner of Education, is authorized to make budget transfers between line item accounts, so long as the transfer for any one item does not exceed \$10,000. All transfers in excess of \$10,000 require Board of Education approval. The Superintendent will report any transfers to the Board as an information item at its next meeting.

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

First Reading: June 9, 2009
Second Reading: June 23, 2009
Adoption date: June 23, 2009
Effective Date: June 23, 2009

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. Investments may be made either directly from an authorized trading partner, or by participation in a cooperative investment agreement with other authorized municipal corporations pursuant to General Municipal Law Article 5-G and in accordance with General Municipal Law Article 3-A.

This policy will be annually reviewed by the Board at the reorganization meeting 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; I 723-a; 3651; 3652

Local Finance Law §165.00

General Municipal Law §§6-c-6-e; 6-j-6-n; 10; II; 39; Article 3-A; Article 5-G

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Update 1, First Reading: June 12, 2018

Update 1, Second Reading: July 10, 2018

Update 1, Adoption Date: July 10, 2018

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:
1. Savings Accounts or Money Market Accounts of designated banks;
 2. Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State;
 3. 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);
 4. Repurchase Agreements involving the purchase and sale of direct obligations of the United States;
- B. All funds except Reserve 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.

Direct or Cooperative Investments

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

- A. Cooperative investment agreements may be made with certain municipal corporations: any New York State county (outside New York City), city, town, village, BOCES, fire district, or school district, pursuant to General Municipal Law Article 5-G.
- B. Cooperative investment agreements, pursuant to General Municipal Law Article 3-A, must address: the governing board of the cooperative, lead participant, proportional interest, the cooperative's investment policy, contributions and distributions, apportionment of administrative expenses and costs, methodology to determine participants' interest, determination of market value at least monthly, portfolio interest rate testing at least monthly, irrevocable letter of credit, professional services, contribution confirmations, monthly statements, notification of distribution deferrals or unanticipated losses or material adverse events, annual independent audit, annual information statements, annual investment reports, and governing board rating disclosure.

Conditions

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

A. Collateral

1. Savings accounts, money market accounts, time deposit accounts and certificates of deposit will be fully secured by insurance of the Federal Deposit Insurance Corporation or by obligations of New York State, the United States, New York State school districts and federal agencies whose principal and interest are guaranteed by the United States. The market value of collateral will at all times exceed the principal amount of the certificate of deposit.
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.
3. Through written contract with the financial institution, the District may authorize the collateralization of district assets through the use of a Municipal Line of Credit.

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 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.

Original Effective Date: December 20, 2005
 Update 1, Effective Date: July 10, 2018

Fund Balance (Pursuant to GASB Statement 54)

Fund balance amounts will be reported by the District according to the following classifications:

Non-spendable – consists of assets that are inherently non-spendable 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 held for resale, and principal of endowments.

Restricted – 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. Because the State regulates the establishment, funding and use of school district reserves, generally, reserves will be classified as restricted fund balance.

Committed – 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 before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The New York State Office of the State Comptroller at the present time believes that in New York State school districts will not have any committed fund balance.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the board or by their designated 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. Assigned Fund Balance generally includes encumbrances and appropriated fund balance.

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

General Policy

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

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

The Board of Education shall delegate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves), the Board will assess the current financial condition of the district and then determine the order of application of expenditures to which fund balance classification will be charged.

First Reading:	August 16, 2011
Second Reading:	September 13, 2011
Adoption:	September 13, 2011

Fund Balance Regulation Establishment of Reserves

The practice of planning ahead and systematically saving for contingencies is considered prudent management. The Board of Education, therefore, has established reserve funds to provide resources for intended future use. A reserve is a separate account, authorized under Education law or General Municipal law, which must follow strict guidelines and is established to finance expenditures for a specific purpose.

Retirement Contributions (General Municipal Law Section 6-r)

Creation – This reserve was created on June 23, 2011

Purpose and Funding Method – This reserve may only be used to pay for district expenses to the NYS Employee’s Retirement System only. Payments to any other retirement system are not allowed from this reserve. This reserve is typically funded from excess fund balance. The reserve may also be funded by budgetary appropriations, transfers from other reserve funds as permitted by law, and such other funds as the school board may legally appropriate.

Use and Monitoring of Reserve – This reserve is used to pay expenses related to the Employees Retirement System. Since the State pension plan is heavily invested in the stock market, market fluctuations can cause the contribution the district makes to vary from year to year without any control by the district. This reserve enables the district to hedge the fluctuation of the market and the uncontrolled changes by reserving for large annual increases. The Assistant Superintendent for Finance and Operations will recommend to the Superintendent and the Board of Education when reserve funds should be used. The Board of Education will be aware of the use of the reserve. The Assistant Superintendent for Finance and Operations will be the primary monitor of this reserve and sharing information annually with the Superintendent and the Board of Education.

Funding Goal – This reserve should be funded at not more than 3 times the annual contribution.

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

Creation – This reserve was created on or before June 26, 2007

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

Use and Monitoring of Reserve – This reserve may be used when an employee separates from the District and payment of accumulated leave is required and not available in the general fund.

These transactions flow through the budget via a budget revision with the offsetting revenue coming from this reserve. The Assistant Superintendent of Finance and Operations will recommend to the Superintendent and the Board of Education when reserve funds should be used. The Board of Education will be aware of the use of the reserve. The Assistant Superintendent for Finance and Operations will be the primary monitor of this reserve and sharing information annually with the Superintendent and the Board of Education.

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

Capital Reserve Fund Rooves & Boilers – 2011 (Education Law Section 3651)

Creation – This reserve was created on May 17, 2011 via voter approval. It was approved with a \$3,000,000 plus interest limit over a 10-year period and will expire when the dollar limit is reached, or on May 17, 2021.

Purpose and Funding Method – This reserve is used to pay for major repairs or full replacement of District Boilers or Rooves. This reserve has typically been funded from excess fund balance. The reserve may also be funded by budgetary appropriations, transfers from other reserve funds as permitted by law, and such other funds as the school board may legally appropriate.

Use and Monitoring of Reserve – This reserve is used to pay expenses related to major repairs or full replacement of boilers or rooves in District buildings. At the time this reserve was created 2 of the three schools in the District had rooves that were at least 10-15 years old and boilers that were 20-30 years old. It was foreseeable that both rooves and boilers would need significant work of full replacement in the next 10 years. To begin saving for this significant expense the voters approved this Capital Reserve. The reserve can only be used for boilers or rooves in District buildings. The Assistant Superintendent for Finance and Operations will be the primary monitor of this reserve and sharing information annually with the Superintendent and the Board of Education.

Funding Goal – This reserve should be funded at not more than \$3,000,000 plus interest earned.

Workers Compensation

Creation – This reserve was created on or before June 26, 2007/

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

Use and Monitoring of Reserve – This reserve is used to pay excess workers compensation claims. The District is in a self funded Workers Compensation consortium, as such, the District is directly responsible for all its own workers compensation claims. The consortium has excessive claim insurance to protect against huge awards on a large claims BUT the deductible on excessive comp claims is \$600,000. Thus, the minimum amount in the Reserve should be no less than \$600,000. Should the District have an excessive Worker’s Comp claim the reserve may be necessary to pay the claim without impacting the general fund or programs for students in the general fund. This reserve is only for use paying worker’s Comp claims or for transfer to another fund as permitted by law. The Assistant Superintendent for Finance and Operations will be the primary monitor of this reserve and sharing information annually with the Superintendent and the Board of Education.

Funding Goal – This reserve should be funded at not less than \$600,000 and not greater than 3 years workers compensation premium.

Unassigned Fund Balance

Creation – Retention of Unassigned Fund Balance up to four percent of the Operating Budget is authorized by State Education Law.

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

Use and Monitoring – These funds are for emergencies, unanticipated and unforeseen expenses, revenue shortfalls, or one-time expenses that cannot be handled either in the budget or with available revenues. The Assistant Superintendent of Finance and Operations will be the primary monitor of this reserve. Sharing information annually with the Superintendent and the Board of Education.

Funding Goal – The Fund Balance should be maintained at four percent of the General Fund Operating Budget each year as permitted by law.

Approved: January 9, 2018

GATE RECEIPTS AND ADMISSIONS

There shall be no admission charges for any athletic events. The Booster Club will supervise the receipt of donations at Varsity athletic events. All donations received at athletic events shall be deposited in the Athletic Account in the extra-classroom activities account.

All admission fees, donations, etc. shall be returned to the Student Activity Account of the department responsible for the production of such receipts. Thus, receipts from concerts go to the music department, football receipts go to the athletic department, etc.

Adoption date: July 7, 2009

ONLINE BANKING SERVICES

The Board of Education requires clear, complete, and detailed accounting of all financial transactions for which the Board is held accountable. The transferring of funds via online banking services between various accounts and the transfer of funds from District accounts to non-district accounts, and vice versa, for various purposes, are financial transactions to be properly monitored and controlled.

The following are online banking activities the District engages in:

1. viewing bank account information
2. inter-fund transfers
3. the remittance of employee payroll tax withholdings and other deductions
4. the paying of the District's debt obligations
5. the remittance of employee payroll direct deposits
6. transfer of District funds into investments
7. receipt of revenues from various sources.

The School District Treasurer and School Business Official, each with a separate established user name and password, will have authority to process online banking transactions.

Each bank transfer will be recorded in monthly receipts and disbursements, showing the amount of monies and the purpose of the transferring of funds. The School District Treasurer or, School Business Official, will verify the accuracy and legitimacy of online transfers and keep a copy of the verified transfer summary on file.

The School District Treasurer will be responsible for the proper accounting of the transactions.

First Reading:	August 25, 2015
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INVENTORIES

The Business Administrator, or his/her designee, shall:

1. Develop a system for the inventory of equipment to conform to the State's requirements for fixed assets accounting and develop a system of supply inventory for all acquisitions over \$500.
2. Be responsible for maintaining the inventory of equipment
3. Periodically review the inventory records and make personal specifications of all district storage spaces to ascertain surpluses or shortages of materials and equipment; and
4. In accordance with established procedures, may authorize the transfer of equipment.

Cross-ref: 6900, Disposal of District Property

First Reading:	November 15, 2005
Second Reading:	December 20, 2005
Adopted:	December 20, 2005
Effective Date:	December 20, 2005

INVENTORY, ACCOUNTING OF FIXED ASSETS, AND TRACKING POLICY

The Superintendent or his/her designee shall be responsible for maintaining a continuous and accurate inventory of equipment owned by the District. All supplies and equipment purchased and received by the School District shall be checked, logged, and stored through an established procedure.

- a. The School Business Official shall be responsible for accounting for general fixed assets according to the procedures outlined by the Uniform System of Accounts for School Districts and GASB Statement 34 Regulations. These accounts will serve to:
 - (1) Maintain a physical inventory of assets;
 - (2) Establish accountability;
 - (3) Determine replacement costs; and
 - (4) Provide appropriate insurance coverage.
- b. Fixed assets with a minimum value established by the Board that have a useful life of one year or more and physical characteristics not appreciably affected by use or consumption shall be inventoried and recorded on an annual basis. Fixed assets shall include land, buildings, equipment, and materials.
- c. The Board shall establish a dollar threshold as a basis for considering which fixed assets are to be depreciated. Such threshold shall ensure that at least eighty percent (80%) of the value of all assets is reported. However, it is recommended that such threshold shall not be greater than \$5,000. A standardized depreciation method and averaging convention shall also be established for depreciation calculations.
- d. Fixed assets acquired having a value equal to or greater than the established threshold are considered depreciable assets and shall be inventoried for the purposes of GASB 34 accounting practices and placed on a depreciation schedule according to its asset class and estimated useful life as stipulated by the New York State Comptroller's Office or the Internal Revenue Services.
- e. Assets shall be recorded at initial cost or, if not available, at estimated initial cost; gifts of fixed assets shall be recorded at estimated fair value at the time of the gift. A property record will be maintained for each asset and will contain, where possible, the following information:
 - (1) Date of acquisition;
 - (2) Description;
 - (3) Cost or value;
 - (4) Location;
 - (5) Asset type;
 - (6) Estimated useful life;
 - (7) Replacement cost;
 - (8) Current value;
 - (9) Salvage value;

- (10) Date and method of disposition; and
 - (11) Responsible official.
- f. The School Business Official shall arrange for the annual inventory and appraisal of School District property, equipment and material. Any discrepancies between an inventory and the District's property records on file should be traced, explained, and documented.
 - g. An annual inventory of equipment to include instructional equipment shall be maintained. All items that have a life expectancy of five years or longer shall be included in the inventory, with the exception of equipment permanently fixed in a building such as heaters or lockers. The equipment inventory shall serve both the functions of control and conservatism. A subsidiary master inventory and annual inventory shall be maintained for the Title I program in accordance to EDGAR Part 80.32 and 80.36. The Title I inventory shall be maintained for at least five years.
 - h. An inventory of supplies which are warehoused shall be maintained separately for the instructional, cafeteria, maintenance, and transportation departments. A physical inventory shall be taken annually.
 - i. All equipment will be labeled and Title I Equipment shall be labeled to include "Title I".
 - j. Disposition of Federal Grant to include Title I Equipment: When original or replacement equipment acquired under a Federal grant or sub-grant is no longer needed for the original project or program or for other activities currently or previously supported by a federal agency, disposition of the equipment will be made as follows:
 - (1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
 - (2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.
 - (3) In cases where the district fails to take appropriate disposition actions, the awarding agency may direct the grantee or sub-grantee to take excess and disposition actions. No federal approval is necessary to dispose of equipment costing over \$5,000 but for sub-grantees, NYSED, approval is necessary. Once NYSED has determined that it has no other need for the use of the equipment, sub-grantees are free to proceed with the sale of equipment.

References: 34 CFR §§80.32; 80.36

First Reading: November 8, 2011
 Second Reading: December 13, 2011
 Adoption: December 13, 2011

INTERNAL AUDIT FUNCTION

The Board of Education recognizes its responsibility to ensure sound fiscal management of the District. To this end, the Board establishes an internal audit function, to be performed by an individual or entity appointed as the "internal auditor." The internal auditor shall be appointed annually and shall serve at the pleasure of the Board. The internal auditor shall report directly to the Board and shall be supervised by the Superintendent of Schools

The internal auditor shall perform the following tasks as the internal audit function, in accordance with generally accepted accounting standards:

1. Develop an annual risk assessment of district fiscal operations which shall include, but not be limited to:
 - a. review of financial policies and procedures, and
 - b. testing and evaluation of the District's internal controls, taking into account risk, control weaknesses, size and complexity of operations.
2. Review and update such risk assessment annually;
3. 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 time frames for implementation of such recommendations.

To fulfill this function, the District may use inter-municipal cooperative agreements, BOCES shared services, or independent contractors as long as such personnel or entities performing the internal audit function comply with the Commissioner's Regulations. The District may also use existing personnel to fulfill this function but only if such persons do not have any responsibilities for other business operations of the District while performing such function. The individual or entity engaged as the internal auditor must meet the test of independence as described in the Commissioner's Regulations.

Reference: Education Law 2116-b; 8 NYCRR 170.12

First Reading:	July 18, 2006
Second Reading:	August 22, 2006
Adoption:	August 22, 2006
Effective:	August 22, 2006

INTERNAL CLAIMS AUDITOR

The Board of Education will designate and appoint an internal claims auditor for the district. The internal claims auditor shall be at the service of the Board.

The internal claims auditor is responsible for formally examining, allowing or rejecting all accounts, charges, claims or demands against the school district. The auditing process should determine:

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

Ref: Education Law §§ 1709(20-a); 1724; 2509; 2526; 2554(b)

8 NYCRR §170.2

Matter of Levy, 22 EDR 550 (1983) 1

First Reading: November 15, 2005

Second Reading: December 20, 2005

Adopted: December 20, 2005

Effective Date: December 20, 2005

INDEPENDENT AUDITOR

In accordance with Education Law §2116-a, the Board of Education shall appoint a Certified Public Accountant or Public Accountant to audit the financial records of the district for the current fiscal year at the Reorganization Meeting.

The scope of the audit shall include all requirements as published by the State Education Department, and an annual audit of the Classroom Activity Fund.

The independent auditor will review the documentary evidence and thus determine the district's compliance with all laws, policy, rules and regulations regarding the expenditure of money.

Ref: Education Law §2116-a
8 NYCRR §170.2(r)

First Reading:	November 15, 2005
Second Reading:	December 20, 2005
Adopted:	December 20, 2005
Effective Date:	December 20, 2005

PETTY CASH ACCOUNTS

Petty cash funds may be established and maintained annually in each building of the district in the amount of \$100 each for the purpose of payment of nominal amounts for supplies purchased by staff members and under conditions calling for immediate payment. An original itemized receipt must be presented before payment is made from this fund.

No sales tax will be reimbursed to staff members. Staff members may pick up a New York State Tax Exempt form at the Business Office to present to vendors. Responsibility, security and accounting of petty cash funds shall be in accordance with the regulations of the Commissioner of Education.

Cross-ref: 6700, Purchasing
Ref: Education Law §§ 1604(26); 1709(29)
8 NYCRR §170.4

First Reading: September 14, 2010
Second Reading: October 12, 2010
Adopted: October 12, 2010
Effective Date: October 12, 2010

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, as 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.

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.

Where permitted by law, purchases may be made through available cooperative BOCES bids, or by "piggybacking" onto contracts of the United States or agencies thereof or the federal General Services Administration (GSA), the New York State Office of General Services (OGS), departments or agencies of New York State, any New York State county, or any state or any county or political subdivision or district therein, whenever such purchases are in the best interests of the district or will result in cost savings to the district. In addition, the district will

make purchases from correctional institutions and severely disabled persons through charitable or non-profit-making agencies, as provided by law.

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

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

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

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

In order to ensure that the district avails itself of advantageous purchasing opportunities, the Board authorizes the Purchasing Agent to represent the district in applying for federal programs designed to discount prices for goods and services. 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.

Competitive Bidding

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

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

Exceptions to Competitive Bidding

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

1. emergencies where time is a crucial factor;
2. procurements for which there is no possibility of competition (sole source items);
3. professional services that require special skill or training (see policy 6741 for guidance on purchasing professional services);
4. purchases such as surplus or second-hand items from governmental entities, certain food and milk items, or goods and services from municipal hospitals ; or
5. where the district is purchasing through (or is “piggybacking” onto) the contract of another governmental entity, where the original contract complies with the requirements of New York State law for competitive bidding.

Purchasing when Competitive Bidding Not Required

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

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

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

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

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

General Purchasing Provisions

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

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

Comments will be solicited from those 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: Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111-195)
Education Law §§305(14); 409-i; 1604(29-a); 1709(4-a), (9), (14), (22); 2503(7-a); 2554(7-a)
General Municipal Law §§102; 103; 103-g; 104; 104-b; 109-a; 800 et seq.
State Finance Law §§97-g(3), (4), (5); 163; 163-b; 165-a
County Law §408-a(2)
8 NYCRR Part 114

Original Adoption:	December 20, 2005
Update 1, Adoption:	September 14, 2010
Update 2, Adoption:	August 16, 2011
Update 3, Adoption:	August 13, 2013
Update 4, Adoption:	September 8, 2015
Update 5, First Reading:	June 12, 2018
Update 5, Second Reading:	July 10, 2018
Update 5, Adoption:	July 10, 2018

PURCHASING REGULATION

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

I. Definitions

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

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

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

II. General Municipal Law

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

III. Competitive Bidding Required

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

1. The district will first determine if the proposed procurement is a purchase contract or a contract for public work.
2. If the procurement is either a purchase contract or a contract for public work, the district will then determine whether the amount of the procurement is above the applicable monetary threshold as set forth above.
3. The district will also determine whether any exceptions to the competitive bidding requirements (as set forth below) exist.
4. All advertised bids shall include the following statement required by General Municipal Law 103-g: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to paragraph (b) of subdivision 3 of section 165-a of the state finance law."

B. Contract Combining Professional Services and Purchase

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

C. Opening and Recording Bids; Awarding Contracts

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

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

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

D. Documentation of Competitive Bids

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

E. Purchase of Instructional Materials

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

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

F. Leases of Personal Property

In addition to the above-mentioned competitive bidding requirements, section 1725 of the Education Law requires that the district will be subject to competitive bidding requirements for purchase contracts when it enters into a lease of personal property. 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. 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. 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 New York State producers or growers or associations of producers and growers, subject to the requirements of General Municipal Law §103(9) and Commissioner's Regulations §114.3. The district will maintain documentation consistent with section 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. 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. The district will maintain the legal authorization, Board authorization and market price comparisons;
6. When there is only one possible source from which to procure goods or services required in the public interest; 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. The district will keep proper documentation in accordance with policy 6741; or
8. when the district purchases through the contracts of (or "piggybacks" onto) other governmental entities, as authorized by law, for certain goods and services permitted by law. Factors relevant to the decision to "piggyback" may include cost, staff time, delivery arrangements, quality of goods and services, and suitability of such goods and services to the district's needs. The district will keep documentation indicating why "piggybacking" is in the best interests of the district, copies of the original contract, and that the originating contract was let in a manner consistent with applicable competitive bidding requirements.

V. Quotes When Competitive Bidding Not Required

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

A. Methods of Documentation

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

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

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

1. Purchase Contracts up to \$20,000
 - a. Contracts under \$1,000: Verbal quotes are suggested and documentation should include notations of verbal quotes.
 - b. Contracts of \$1,001 to \$3,000: A minimum of two verbal or written quotes is required and documentation should include notations of the quotes.
 - c. Contracts in excess of \$3,000: Three written or faxed quotes are required and documentation should include those quotes.
2. Public Work Contracts up to \$35,000
 - a. Contracts from \$1,000 to \$10,000: Verbal quotes
 - i. Documentation will include notations of verbal quotes.
 - b. Contracts in excess of \$10,000 to \$35,000: Written quotes

VI. Quotes Not Required When Competitive Bidding Not Required

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

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

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

VII. Procurements from Other than the “Lowest Responsible Dollar Offeror”

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

VIII. Internal Control

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

Comments will be solicited from those 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.

Original Adoption:	July 10, 2012
Update 1, Adoption	August 13, 2013
Update 2, Adoption:	September 8, 2015
Update 3, Adoption:	July 12, 2018

PURCHASING UNDER FEDERAL GRANTS

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, as 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. In addition to the requirements of Policy 6700 (Purchasing), the requirements of this policy relate to purchases made under federal appropriations to the District as grants.

Competition

The district shall ensure that all procurement transactions are conducted in a manner providing full and open competition consistent with Section 200.319 of federal law.

The District shall suspend the policy of giving preference to local contractors, all other things being equal, when purchasing using Federal Funds, and shall take all necessary affirmative steps to assure that minority-owned businesses, women-owned businesses and labor surplus area firms are used, when possible.

The District shall retain back-up documentation of compliance for audit purposes, which shall be maintained in the Business Office.

Procurement of Recovered Materials

The District, whenever practical and fiscally reasonable, requires that paper, furniture, and playground equipment contain the highest percentage of recovered materials practical when the price of the item is greater than \$10,000.

Cross-ref: 6700, Purchasing
 6710, Purchasing Authority
 6741, Contracting for Professional Services

Ref: 2 CRF 200.319 - Competition

First Reading: June 12, 2018
 Second Reading: July 10, 2018
 Adoption Date: July 10, 2018

PAYMENT PROCEDURES

The Board of Education shall authorize the payment of all salaries and wages for personnel services, principal and interest of indebtedness, and other contractual obligations such as utility bills, BOCES services, Health Insurance and Service Contracts, upon the approval and certification of the Internal Auditor, subject to post audit and approval of the Board.

When it is necessary for expedient payment prior to approval under this policy, payment shall be approved by the Superintendent provided the charges are properly within the limits of this policy. Such payments will be reported pursuant to the following:

1. The Business Office is responsible for payment of bills.
2. Each bill shall be prepared for payment and shall bear evidence that the goods have been received or the service rendered.
3. A bill schedule shall be prepared for the Board agenda, for the Board's perusal and questioning, at the Board meeting prior to the resolution for approval.
4. Payment of bills shall be made after the Board-appointed Internal Auditor has reviewed and approved all bills.
5. The Board will post approve all warrants at the Board meeting.

Cross-ref: 6650, Internal Auditor

Adoption date: July 7, 2009

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, and related activities.

Only actual and necessary expenses for 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 Federal Internal Revenue Service for business travel. Tax exemption certificates shall be issued and utilized as appropriate.

The Board, by majority vote, shall determine and approve which meetings and conferences may be attended by Board members and the Superintendent of Schools.

The Superintendent 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, together with a copy of the approved conference attendance request form and evaluation report (if required), and submit the same to the appropriate administrator, and 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

First Reading:	November 15, 2005
Second Reading:	December 20, 2005
Adopted:	December 20, 2005
Effective Date:	December 20, 2005

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 and proof of attendance. 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 Internal Revenue Service for business travel. Parking and tolls will also be reimbursed but gasoline will not.
- Rental car expenses will be reimbursed only if authorized in advance. Receipts must be attached.
- Air travel is only allowed when determined by the 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.
- The District will reimburse the individual for all reasonable and customary expenses associated with pre-approved travel.

Meals

In the absence of receipts for meals, the District will reimburse according to the following allowances:

Breakfast	\$10.00
Lunch	\$10.00
Dinner	\$30.00

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.

Effective: July 1, 2016

APPLICATION FOR REIMBURSEMENT
HAMPTON BAYS UNION FREE SCHOOL DISTRICT

Name _____ Today's Date _____

Position _____ Building _____

Activity _____

Dates Covered: _____

Supplies and Materials \$ _____

Conference/Registration Fee \$ _____

Transportation

Mileage _____ per mile X _____ miles \$ _____

Air Travel \$ _____

Refreshments for Meetings \$ _____

Lodging \$ _____

Food \$ _____

TOTAL \$ _____

Employee Signature _____

Authorized By _____

PLEASE ATTACH ALL SUBSTANTIATING MATERIALS

MapQuests must be submitted for reimbursement of mileage

Receipts for any reimbursements

Tax cannot be reimbursed, even if paid

Proof of Attendance (nametag, conference notes, attendance roster, certificate of completion, HB-completion form)

PROOF OF ATTENDANCE

HAMPTON BAYS UNION FREE SCHOOL DISTRICT

Today's Date _____

Employee Name _____

Position _____

Activity/Conference _____

I certify that I have attended the above professional education session/meeting and that I have been previously approved to attend by a School District Official.

HBUFSD Employee Signature

I certify that the above-named HBUFSD employee was present at the above-named professional education session/meeting.

Signature from Meeting/Conference Provider

****This form is only required unless other auditor—approved proof of attendance is available. Acceptable types of proof include a copy of a nametag, notes taken at the conference, an attendance verification letter (if available), or a Certificate of Completion. If you have any questions, please contact the School District's Business Office at 723-2100, ext. 5134.***

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 Administrator 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/sell as surplus 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 Board of Education approval, 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 shall be eligible to bid on the equipment, supplies and/or materials, but not district employees, Board members, or district officers; 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.
Matter of Baker, 14 EDR 5 (1974)

Ross v. Wilson, 308 NY 605 (1955)
Op. St. Compt. 58-120

Original Adoption:	December 20, 2005
Update 1, Adoption:	August 13, 2013
Update 2, First Reading:	June 14, 2016
Update 2, Second Reading:	July 5, 2016
Update 2, Adoption:	July 5, 2016