

## 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 establishes sound fiscal management policies 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.

Adoption date: June 15, 2006

Revised: December 2, 2010

## ANNUAL BUDGET

The budget is a financial plan to provide students the best possible education consistent with the community's aspirations and resources. It represents a best estimate of the next year's needs, based on past experience, known costs and projections of future costs.

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 Board establishes general financial parameters. The Superintendent is responsible for presenting a plan which in his or her judgment will best achieve the district Mission and broad Board goals and at the same time meet the parameters. The Board considers the plan in terms of how it helps achieve the Mission and broad Board goals. The Board considers broad educational needs, the funding necessary to meet them, sources and overall levels of revenue including all legal restrictions placed on the increase in the tax levy. The trustees discuss any potential areas for focus substantially in advance, informing the professional staff so that they may provide data. Trustees agree as a group on the topics of any significant exploration.

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.

After the budget has been approved by the district voters, the Superintendent is responsible for seeing that personnel use it responsibly.

Ref: Education Law §§1608; 1716; 1804(4); 1906(1); 2008(2); 2021; 2002(1); 2022(2); 2035(2); 2601-a  
General Municipal Law §36

Adoption date: June 15, 2006

Revised: January 16, 2014

## BUDGET PLANNING

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

The budget shall be designed to reflect the Board's objectives for the education of the children of the district. It shall be carefully organized and planned to provide adequate accounting for each program expenditure, understanding of the financial needs of anticipated program developments, and be within the financial limitations of the district, taking into consideration the statutory limits on the tax levy. 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 and approved by the Board before being presented to voters for final adoption.

Ref: Education Law §§1608(2)-(4); 1716(2)-(4); 1804(4); 1906(1); 2002(1); 2003(1); 2004(1); 2022(2); 2023; 2023-a; 2601-a  
*Fiscal Management* (NYSSBA, 1997)

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: March 5, 2020

## BUDGET PLANNING REGULATION

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

- a schedule which sets forth all important meetings and dates, including deadlines for budget proposals from within the district;
- commencement dates and deadlines for certain budgetary tasks such as the estimation of all revenues and income expected to be received by the district;
- 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 individual (or their 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 Assistant Superintendent for Business will evaluate:

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

Adoption date: June 15, 2006

Revised: January 16, 2014

Revised: March 5, 2020

**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 within the same function code, so long as the transfer for any one item does not exceed \$10,000, and between line item accounts, so long as the transfer for any one item does not exceed \$5,000.00. All transfers in excess of \$10,000 require prior Board of Education approval. The Superintendent will report any transfers to the Board as an information item on a quarterly basis.

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

Adoption date: June 15, 2006  
Reviewed: October 30, 2008  
Revised: December 18, 2008  
Revised: June 4, 2009

## Wire Transfer Procedures

The following procedures shall be followed for all wire transfers:

- The Treasurer shall prepare a wire transfer form and attach supporting documents for the purpose of transfer. This wire transfer form shall include the source and the destination bank account information as well as journal entries for internal transfers between school district bank accounts or for permitted electronic payment. (i.e., ERS, TRS) The Assistant Business Manager shall authorize all such transfers by signing the wire transfer form. The Assistant Superintendent for Business shall be permitted to authorize wire should The Assistant Business Manager be unavailable.
- Once the authorization for the transfer has been granted, the Treasurer shall sign onto the bank's secure website to initiate the wire transfer. Each bank account access shall be protected by two sets of passwords. One password, shall be chosen by the Treasurer changes as per the bank's system security regulations. The second password shall be token generated.
- The Treasurer shall use the pre-set which can only be set up by the Assistant Superintendent for Business, to initiate the authorized transfer. A pending transfer report shall be printed from the bank's website and attached to the transfer packet. This packet shall be returned to the Assistant Business Manager for online approval. The Assistant Business Manager shall sign onto the bank's secure website, approve the pending transfer online, print a confirmation of the transfer and attach all the documentation to the wire transfer packet..
- The completed packet shall be given to the Central Office Senior Accounts Clerk for input into Wincap as a cash receipt and/or disbursement. A system generated cash receipt number assigned by Wincap which identifies the transaction shall be recorded on the cash receipt packet.
- The packet shall then be filed in a monthly cash receipt binder which is kept by the Central Office Senior Accounts Clerk..
- All Wire transfers are recorded in the Cash Pad by the Treasurer.

Adoption Date: December 15, 2011  
Revised: January 16, 2014

## FUND BALANCE POLICY

### Purpose

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 in that it helps mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and assists in ensuring stable tax rates. This policy establishes goals and provides guidance concerning the desired level of year-end fund balance to be maintained by the District.

### Background

The Governmental Accounting Standards Board (GASB) issued GASB Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions. Statement 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications for Governmental Funds: non-spendable, restricted, committed, assigned and unassigned. The statement goes into effect for financial statements ending June 30, 2011.

### Definitions

Fund balance is a measurement of available financial resources that represents the difference between total assets and total liabilities in each fund.

Governmental Accounting Standards Board (“GASB”) Statement No. 54 distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported by the following classifications:

Non-spendable – amounts that cannot be spent because they are in a non-spendable form (e.g., inventory) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

Restricted – amounts limited by external parties, or legislation (e.g., grants or donations, legal reserve funds).

Committed – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority (i.e.: Board of Education): to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.

Assigned – amount intended to be used for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the Board delegates the authority.

Unassigned – amounts available for consumption or not restricted in any manner. These amounts are reported only in the General Fund.

### Guidelines

The fund balance of the District's General Fund has been accumulated to provide stability and flexibility and to respond to unexpected adversity and/or opportunities.

In accordance with the limits imposed by New York State Real Property Tax Law §1318, the Board of Education will strive to maintain an unassigned general fund balance of not more than four percent (4%) of the budgeted expenditures for the ensuing fiscal year. The decision to retain an unrestricted fund balance of four percent of the expected expenditures stems from the need to support normal operating costs for the District and provide fiscal stability.

If the unassigned portion of the fund balance exceeds four percent, the Board of Education will evaluate current reserves and designations in order to determine the final distribution of fund balance in any fiscal year in consideration of estimated liabilities of the District and sound financial planning.

### Fund Balance Classifications – Governmental Funds:

*The following is a listing of the new classifications for the Reserves and Designations that may be established and used by our school district.*

#### **Non-spendable Fund Balance:**

- Reserve for Inventory – is used to restrict that portion of fund balance, which is not available for appropriation. The reserve is accounted for in the school lunch fund.

#### **Restricted Fund Balance:**

- Reserve for Tax Certiorari (Education Law §3651.1-a) – is used to establish a reserve fund for tax certiorari. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings.
  - To determine amounts that might reasonably be deemed necessary, the Business Office will annually evaluate certiorari petitions and settlement trends, in conjunction with local town assessor opinions and data regarding potential settlements.
  - Proceeds from this reserve will be used first to pay certiorari obligations before general fund appropriations and any other fund balance
- Reserve for Unemployment (GML § 6-m) – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method (self-funded). The reserve is accounted for in the general fund.



- This reserve is evaluated by the Business Office on an annual basis based on anticipated claims.
  - Proceeds from this reserve will be used to pay for unemployment claims for which insufficient or no general fund appropriations have been provided.
- Reserve for Employee Benefit Accrued Liability (GML § 6-p) – is used to reserve funds for the payment of accrued employee benefits due and owing to an employee upon termination of the employee’s service. The reserve is accounted for in the general fund.
  - The maximum amount for this reserve will be calculated annually based on estimated termination benefits accruing to employees as of the end of each fiscal year.
  - Proceeds from this reserve will be used first, before general fund appropriations and any other fund balance, to pay any employee termination benefits due and owing.
- Reserve for Retirement Contributions (GML § 6-r) – is used to pay any portion of the amount(s) payable by the school district to the New York State and Local Employees’ Retirement System (ERS). The reserve is accounted for in the general fund.
  - Amounts in this reserve will be evaluated annually and determined by how the Board wishes to utilize funds for known and unknown ERS costs, in current and future years.
  - Proceeds from this reserve can be used to pay for Employer ERS obligations for which insufficient general fund appropriation has been provided.
  - Proceeds from this reserve can be used to assign to future years’ budgets to cover some or all of the cost of Employer ERS obligations.
- Reserve for Insurance (GML § 6-n) – is used to pay liability, casualty, and other types of losses except those incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee.
  - Amounts in this reserve will be evaluated annually by the Business Office
  - Proceeds from this reserve will be used first before any other fund balance to pay any losses not covered by insurance or appropriations budgeted for this purpose.
- Reserve for Repairs (GML § 6-d) – is used to pay the cost of repairs (that do not occur annually) to capital improvements and equipment.
  - This reserve will be evaluated on the status of capital projects and needed repairs identified in the district studies and long range capital plans.

- A public hearing is required before proceeds from this reserve can be spent, except in an emergency.  
In the event of an emergency spending will require at least a 2/3 majority vote of the Board.
- Reserve for Workers Compensation (GML § 6-j) – is used by school districts that self-insure to pay the direct cost of workers’ compensation claims and related expenses .
  - This reserve will be evaluated annually based on Business Office and third party assessments as to the anticipated costs and actuarial calculation of potential obligations.
  - Proceeds from this reserve will be used after budgeted funds for the same have been exhausted and before other fund balance.
- Reserve for Capital Expenditures (Education Law §3651) – is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. The reserve is accounted for in the general fund.
  - This reserve will be evaluated on the status of capital projects and the completion of studies by third parties as to the state of the District’s facilities.
  - Proceeds from this reserve can only be used upon approval of the voters.
- Reserve for Debt Service (GML § 6-1) – is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement plus applicable interest earnings. The reserve is accounted for in the debt service fund.
  - The reserve will be evaluated by the Business Office on an annual basis.

**Assigned Fund Balance:**

- Designated for Subsequent Year’s Expenditures – the planned use of resources in the subsequent years’ budget.
- Reserve for Encumbrances – represents the amount of outstanding encumbrances at the end of the fiscal year.

**Unassigned Fund Balance:**

- Unreserved and Undesignated Fund Balance - remaining fund balance that has not been designated or reserved. NYS Real Property Tax Law 1318 restricts the unreserved, undesignated fund balance of the General Fund to an amount not greater than 4% of the District's budget for the ensuing fiscal year.

**Order of Use of Fund Balance**

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

**Delegation of Responsibility**

The Superintendent or Business Official shall be responsible for the enforcement of this policy.

Adoption Date: June 16, 2011  
Revised: December 15, 2011

**FEDERAL FUNDS**

The district shall apply for federal assistance under the provisions of public law so long as the conditions of funding are consistent with Board of Education policy.

The administrative staff has the responsibility to evaluate federally funded programs, including their possible benefits to the children and youth in the school district, apprise the Board of the value of each, and make recommendations accordingly. A separate federal aid fund shall be maintained to record all financial transactions in federally aided programs and projects. A separate checking account, distinct from all other district accounts, shall be maintained for federal funds.

Ref: Education Law §3713  
8 NYCRR Parts 114; 167; 200

Adoption date: June 15, 2006

## 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 §165.00  
General Municipal Law §§6-c-6-e; 6-j-6-n; 10; 11; 39

Adoption date: June 15, 2006

Reviewed: December 2, 2010

## INVESTMENTS REGULATION

Responsibility for investment of funds is delegated to the Assistant Superintendent for Business, the Treasurer and the Deputy Treasurer. Investments shall be in accordance with State law and Board policy and shall be in the best interest of the North Shore Schools.

### I. Scope

This policy applies to all monies and other financial resources available for investment.

### II. Objectives

In priority order, investments shall

- conform with all applicable federal, state and other legal requirements;
- safeguard principal adequately;
- provide sufficient liquidity to meet all operating requirements; and
- obtain a reasonable rate of return.

### III. Delegation of Authority

The Assistant Superintendent for Business shall establish written procedures for investment consistent with this policy. The procedures shall include an internal control structure to (a) provide accountability based on a database or records of investments descriptions and amounts, transaction dates, and other relevant information and (b) regulate the employee activities.

### IV. Prudence

All participants in investment are custodians of the public trust and shall avoid any transaction that might impair public confidence in the North Shore Schools.

Investments shall be made without speculation and with prudence, discretion and intelligence, considering the safety of the principal as well as the probable income to be derived.

All participants involved in investment shall refrain from personal business activity that could conflict with proper execution of the program or which could impair their ability to make impartial investment decisions.

V. Diversification

The North Shore Schools shall diversify deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

VI. Internal Controls

All monies collected by any officer or employee of the government shall be transferred to the Assistant Superintendent for Business and/or the District Treasurer in a timely manner.

The Treasurer shall establish and maintain an internal control structure to provide reasonable, though not absolute, assurance that deposits and investments are safeguarded against losses from unauthorized use or disposition, that transactions are executed consistent with management authorization and are recorded properly, and are managed consistent with applicable laws and regulations.

VII. Designation of Depositories

The banks and trust companies authorized for funds deposits are designated at the annual organizational meeting.

VIII. Collateralizing of Deposits

Under the provisions of General Municipal Law, Section 10, all deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. By a pledge of "eligible securities" with an aggregate "market value" as provided by GML Section 10, equal to the aggregate amount of deposits from the categories designated in Schedule A.
2. By an eligible "letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the North Shore Central School District for a term not to exceed ninety (90) days with an aggregate value equal to one hundred forty percent (140%) of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one (1) of the three (3) highest rating categories by at least one (1) nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.

3. By an eligible surety bond payable to the North Shore Central School District for an amount at least equal to one hundred percent (100%) of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two (2) nationally recognized statistical rating organizations.
4. By an “irrevocable letter of credit” issued in favor of the North Shore Central School District by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of one hundred percent (100%) of the aggregate amount of deposits and the agreed-upon interest, if any.

Schedule of Eligible Securities for Collateral

- (i) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United State government sponsored corporation.
- (ii) Obligations issued or fully insured or guaranteed by the State of New York or general obligations issued by a municipal corporation, school district or district corporation of such state.

IX. Safekeeping and Collateralization

Eligible securities for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreement.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also specify the conditions under which securities may be sold, presented for payment, substituted or released, and the events which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, they shall be delivered in a form suitable for transfer, or with an assignment in blank to the North Shore Schools or their custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or an agent of and custodian for the Schools, will be kept separate and apart from the general assets of the custodial bank or trust



company and shall not be commingled with or become part of the backing for any other deposit or other liability. The agreement should also state that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for reasonable frequency of revaluation of eligible securities and provide for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

X. Permitted Investments

As authorized by General Municipal Law, Section 11, the Assistant Superintendent for Business and/or The District Treasurer is authorized to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Money Market and Now Accounts
- Certificates of Deposit
- General obligations of the United States of America
- General obligations of the State of New York
- General obligations issued pursuant to LFL Section 24.00 or 25.00 (with approval of the State Comptroller) by any municipality or school district other than the North Shore Central School District

All investment obligations shall be payable or redeemable at the option of the North Shore Schools within the time proceeds will be needed to meet expenditures for purposes for which the monies were provided. Obligations purchased with the proceeds of bonds or notes shall be payable or redeemable at the option of the North Shore Schools within two years of the date of purchase.

XI. Authorized Financial Institutions and Dealers

The North Shore Schools shall maintain a list of financial institutions and dealers approved for investment purposes. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated report of Condition (Call Report) at the request of the North Shore Schools.

Security dealers not affiliated with a bank must be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Assistant Superintendent for Business shall evaluate the financial position of institutions and dealers and maintain a listing of proposed depositories, trading partners and custodians. The listing shall be evaluated at least annually.

XII. Purchase of Investments

The Assistant Superintendent for Business and/or The District Treasurer are authorized to contract for the purchase of investments.

All purchased obligations, unless registered or inscribed in the name of the schools, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the Assistant Superintendent for Business. All such transactions shall be confirmed in writing to the North Shore Central School District by the bank or trust company. Any obligation in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, Section 10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and shall not be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

XIII. Selection of Financial Institutions

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.

Investments in time deposits and certificates of deposit are to be made only with commercial banks or trust companies, as permitted by law.

XIV. Operations, Audit, and Reporting

The school district will encourage the purchase and sale of securities through a competitive process involving telephone solicitation for at least three quotations.

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

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

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: January 16, 2014

Revised: July 5, 2016

## MONIES IN SCHOOL BUILDINGS

Monies collected by school district employees must be receipted, accounted for and directed without delay to the proper location of deposit. Monies may be left overnight in schools only in safes for valuables. All schools shall provide for bank deposits after regular banking hours to avoid leaving money in the school overnight.

Additionally:

1. In each building, the individual designated by the Assistant Superintendent for Business shall be responsible for maintaining receipts for monies collected in each building.
2. The district treasurer shall be responsible for collecting monies from each building.
3. The maximum amount of time money is to be kept at the building level before being transferred to the district level is 5 business days. All funds collected must be kept in a locked safe.

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: January 3, 2013

Revised: July 5, 2016

**MONIES IN SCHOOL BUILDINGS REGULATION**

Receipts are issued to each person who turns in funds, including funds for the rental of school property, refunds for personal calls, library fines, lost books, instrumental rentals, adult education fees, damages to school property, sale of shop material, etc.

The receipts are to be issued in triplicate. The white copy (original) should be submitted with the funds, class roster, trip/activity information to the secretary/clerk. The second copy (pink) should be forwarded to the District Treasurer in the Central Office by the person who collected the funds from the student. The third copy (yellow) should be retained by the person from whom the money was received.

All receipts shall be under the control of the District Treasurer in the Central Office.

Adoption date: June 15, 2006  
Revised: December 2, 2010  
Revised: July 5, 2016

## GIFTS AND GRANTS

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

The Board will attempt to honor the intent of the donor in its use of the gift, but reserves the right to use any gift it accepts in the best interest of the district's educational program. The Superintendent or a designee may assign such gifts to a particular school or department.

Items will be accepted only if they are of legitimate use in achieving the mission of the North Shore Schools. Once a gift is accepted, its installation, use and disposition are under the sole authority of the North Shore Schools

Items will not be accepted if they entail excessive maintenance or installation cost. The North Shore Schools may elect not to replace a gift if it becomes worn out or is destroyed.

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

1. The gift must not benefit a particular or named individual or individuals.
2. If the purpose of the gift is an award to a single student, the determination of the recipient of such award shall be made on the basis that all students shall have an equal opportunity to qualify for it and shall not be denied its receipt on the basis of race, gender identity, sexual orientation, religion, or disability.
3. If the gift is in trust, the obligation of the investment and reinvestment of the principal shall be clearly specified and the application of the income or investment proceeds shall be clearly set forth.

The Board of Education may elect to return or reject any gift if in their judgment it does not further the Mission of the North Shore Schools. A decision to accept a gift in no way commits or binds the North Shore Schools to accept any gift in the future. In compliance with Internal Revenue Code, a letter of acknowledgment included all required information will be provided to the donors.

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

Ref: Education Law §1709(12)

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: January 16, 2014

## GIFTS AND GRANTS REGULATION

A donor shall initially consult with the Building Principal or Superintendent of Schools before a gift is presented to ensure it is appropriate.

When the Principal or any member of the school staff is in contact with potential donors of goods or funds, he or she shall inform the Superintendent of Schools.

A gift should be accompanied by a letter from the donor for official action and recognition.

A gift must satisfy the following criteria:

1. It will have a purpose consistent with those of the school or district.
2. It will not begin a program which the Board would be unwilling to take over when gift or grant funds are exhausted.
3. It will not bring undesirable or hidden costs to the school.
4. It will place no restrictions on the school program.
5. It will not be inappropriate or harmful to the best education of district students.
6. It will be appropriate to the mission of the district.
7. It will not endorse any business or product.
8. It will not be in conflict with any provision of public law.

No donation shall be made without the express approval and acceptance of the Board of Education.

The Superintendent and/or Principal shall send a letter in compliance with the Internal Revenue Code to the donor.

Adoption date: June 15, 2006  
Reviewed: November 13, 2009  
Revised: December 3, 2009  
Revised: January 16, 2014

## AUTHORIZED SIGNATURES

The Board of Education authorizes the signature on checks issued against all accounts of the school district to be that of the Treasurer or, in his/her absence, the Deputy Treasurer.

The 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 in her absence, the Deputy Treasurer.. Said machines shall be maintained in the exclusive and secured possession of the Treasurer and the Deputy Treasurer,, respectively.

The Treasurer/Deputy Treasurer 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 both the Student Activity Accounts Treasurer and 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 15, 2006  
Revised: December 2, 2010  
Revised: January 16, 2014  
Revised: July 5, 2016

**BONDED EMPLOYEES AND OFFICERS**

The School District Treasurer and Deputy Treasurer shall be covered by a treasurer's bond in the amount of \$1,000,000 per loss

All other school district employees who handle funds shall be covered for \$500,000 under a faithful performance blanket position bond.

Cross-ref: 2210, Board Reorganizational Meeting

Ref: Education Law §2130

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: January 16, 2014



## 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. 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 Assistant Superintendent for Business and the Assistant 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 Superintendent 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. All operating expenses will be charged to the fiscal year in which they are incurred.

The Board directs the Treasurer to keep it informed of the financial status of the district through monthly cash reconciliation, budget status reports and 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 Assistant Superintendent for Business, the Assistant Business Manager and the Treasurer will prepare and 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 agencies 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 and the State Comptroller.

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

Cross-ref: 1120, School District Records  
Ref: Education Law §§1610; 1709; 1711; 1721; 2117; 2528; 2577; 2590-i  
General Municipal Law §§33; 34  
8 NYCRR §§155.1; 170.1; 170.2

Adoption date: June 15, 2006  
Revised: December 2, 2010  
Revised: January 16, 2014  
Revised: July 5, 2016  
Revised: November 5, 2020

CLAIMS AUDITOR EXHIBIT

Checklist for Audit of Claims

Beginning check number \_\_\_\_\_

Ending check number \_\_\_\_\_

I hereby certify that the attached schedule of claims has been audited. All claims have been checked for the following:

\_\_\_\_\_ Mathematical accuracy (extensions, additions, and calculations or discounts)

\_\_\_\_\_ Duplicate payments (previously paid invoices from vendors have been checked to be sure

payment is not a duplicate)

\_\_\_\_\_ Vouchers have been checked against purchase orders

\_\_\_\_\_ Travel vouchers are properly itemized (travel vouchers must contain purpose of travel,

dates and points of travel and approved rate)

\_\_\_\_\_ Vouchers for personal service are properly itemized (vouchers must contain purpose, date

of service, length of service and approved rate)

\_\_\_\_\_ Receipts of goods and services are attached to claims

\_\_\_\_\_ Check to see whether there is an agreement with vendor not to pay late charges. If so,

deduct late charges

\_\_\_\_\_ Sales taxes have not been paid (with the exception of sales taxes and tips up to 15% on meals)

\_\_\_\_\_ Mileage and meal claims (incl. sales tax) do not exceed authorization

\_\_\_\_\_ All claims are for proper school district expenditures

Pre-audit has been completed:

\_\_\_\_\_  
Accounts Payable Clerk Date

Certified:

\_\_\_\_\_

Adopted: December 2, 2010

Revised: January 16, 2014

## 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 with staggered terms. 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 claims, 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 claims, internal, and the external auditors, 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 (see attached exhibit, 6605-E).

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 Assistant Superintendent for Business, or the other district administrators.

Ref: Education Law §2116-c

Adoption date: October 12, 2006

Revised: December 2, 2010

Revised: December 10, 2015

## AUDIT COMMITTEE EXHIBIT

## Audit Committee Charter Resolution

By Resolution dated October 6, 2005 The Board of Education of the North Shore School District has established an audit committee as required by Education Law §2116-c. The audit committee acts in an advisory capacity to assist the Board with overseeing the District's claims, internal, and external audit functions.

## Mission

The audit committee will ensure the District's fiscal accountability by providing enhanced oversight of the external and internal audits.

## Membership

The audit committee is composed of the seven (7) Board members, and up to two (2) community members. Members of the audit committee are school district officers. Each member must take the District's oath of office. In addition, committee members may not reveal any confidential information obtained during the exercise of their duties. The audit committee must collectively possess knowledge in accounting, auditing, financial reporting and school district finances. The following individuals are prohibited from serving on the audit committee:

- An employee of the District;
- An individual who within the last two years provided or currently provide services or goods to the District;
- A close or immediate family member of an employee (with the exception of Trustees), officer or contractor providing goods or services to the District. The term "close or immediate family member" includes parent, sibling, nondependent child, spouse, spouse equivalent or dependent, whether or not related.

## Duties

- Provide recommendations regarding the appointment of the external auditor of the District;
- Meet with the external auditor before the audit;
- 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;
- Receive and review the draft annual audit report and draft management letter and, working directly with the external auditor, assist the Board in interpreting these documents;
- Make a recommendation to the Board on whether to accept the annual audit report;
- Review every corrective action plan that Education Law §2116-c requires school districts to develop and assist the Board in the implementation of this plan;

- Assist in the oversight of the internal & claims audit functions, including, but not limited to:
  - Providing recommendations regarding the appointment of the internal & claims auditors for the District;
  - Reviewing significant findings and recommendations of the internal & claims auditors;
  - Monitoring the District's implementation of the internal & claims auditors' recommendations; and
  - Participating in the evaluation of the performance of the internal & claims audit functions.
- Report to the Board on its activities on an as-needed basis, but not less than annually. Each report must address or include, at a minimum:
  - The audit committee's activities;
  - A summary of the committee meeting minutes;
  - Significant findings brought to the committee's attention;
  - Any indications of suspected fraud, waste of abuse;
  - Significant internal control findings; and
  - Activities of the internal & claims audit functions.
- Hold regularly scheduled meetings sufficient to fulfill all committee duties; and
  - At least annually, review the audit committee charter and present recommended modifications, if any, in writing to the Board.

#### Meetings

The audit committee will meet at least four (4) times each year. All audit committee decisions must be made by a quorum or simple majority of the total membership. Audit committee meetings may not be conducted unless a quorum is present. As a public body, the audit committee is subject to the requirements of the Open Meetings Law. Education Law §2116-c provides that the audit committee may only conduct an executive session to:

- Meet with the external auditor prior to the commencement of the audit;
- Review and discuss with the external auditor any risk assessment of the district's fiscal operations; and
- Receive and review the draft annual audit report and accompanying draft management letter and, working directly with the external auditor, assist the Board in interpreting these documents.

If authorized by Board resolution, any Board member who does not serve on the audit committee may attend an executive session of the committee.

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: December 10, 2015

## COMPUTER CONTROLS

The Board recognizes the importance of ensuring that the District's financial accounting software, WinCap, and the financial network facilities are adequately secured. Accordingly, the following procedures will be implemented.

### Passwords

Network and WinCap passwords must be changed at least every 90 days for all staff who use the software.

### System Administrator

The System Administrator will be appointed by the Board at the annual organizational meeting. The System Administrator shall report to the Assistant Superintendent for Business and shall have the authority to change the permissions for the users of the Software. The System Administrator cannot change his/her own permissions.

Other responsibilities of the System Administrator are to run reports to be reviewed by the internal auditor as part of his risk assessment procedures for the District.

Guidelines for changing such permissions are as follows:

1. Electronic permissions of employees shall appropriately reflect their duties.
2. A request to the System Administrator for a change in the permissions must set forth the reason for the proposed change.
3. Any change must be approved by the Assistant Superintendent for Business or the System Administrator.
4. A log of all changes will be sent to the internal auditor for review as part of his/her risk assessment. He will further report/update the Board of Education when required.

### Segregation of Duties

Segregation of duties in the software and related procedures will be consistent with the employees' assigned duties.

### Remote Access

Remote Access to the network and/or software by the software vendor shall only be permitted for purposes of updating, correcting the system, or training. Only authorized personnel will be permitted to use this function.

Reports

The following reports will be reviewed by the Assistant Superintendent for Business and sent to the Board of Education on a monthly or quarterly basis.

- Appropriations Report
- Revenue Report
- Budget Transfer Report – as needed for the amount over the threshold
- Extra Classroom activity reports – quarterly
- Balance Sheets
- Scholarships
- Cash flow
- Treasurer’s Report with bank statement (quarterly)

Data Backup / Disaster Recovery

The District’s accounting and other financial data will be backed up on a daily basis. A backup of such data will be maintained offsite.

All critical data from the servers in each building must be backed up to either tape or a storage unit. There must be a 4 week rotation for all critical data which includes user files, SIS data, Library Services, Central Office data, e-mail, Food Service, Voice Mail, etc.

This rotation must include 1 week offsite and 2 different backups to 2 different tapes for Central Office. On a weekly basis, there must be a manual backup of all networking devices, software databases, etc.

The Technology Dept. must test restore all data periodically once every month whether necessary or not.

A confirmation notification must be generated and maintained by the Technology Dept. to support all backup of data.

Review

This policy will be reviewed annually by the Board and the District’s internal/external auditor.

Adopted: February 28, 2008  
 Revised; December 2, 2010  
 Revised: January 16, 2014



## INVENTORIES

### ACCOUNTING OF FIXED ASSETS

The School of 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:

- a) Maintain a physical inventory of assets;
- b) Establish accountability;
- c) Determine replacement costs; and
- d) Provide appropriate insurance coverage.

Fixed assets with a minimum value established by the Board that have a useful life of five (5) years or more and physical characteristics not appreciably affected by use of consumption shall be inventoried and recorded on an annual basis. Fixed assets shall include land, buildings, equipment and materials.

The Board shall establish a dollar threshold for equipment and furnishings of \$5,000 per item, with the exception of computer equipment, as a basis for considering which fixed assets are to be depreciated. Such threshold shall ensure that at least 80 percent of the value of all assets are reported. A standardized depreciation method of averaging convention shall also be established for depreciation calculations.

Fixed assets acquired having a value equal to or greater than the established threshold are considered depreciable assets and shall be inventoried for 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 NY State Comptroller's Office.

Assets shall be recorded at initial costs 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:

- a) Date of acquisition;
- b) Description;
- c) Cost or value;
- d) Location;
- e) Asset type;

- f) Estimated useful life;
- g) Replacement cost;
- h) Current value;
- i) Salvage value;
- j) Date and method of disposition; and
- k) Responsible official.

The School Business Official shall arrange for the physical inventory and appraisal of School District property, equipment and material once every five years. Any discrepancies between an inventory and the District's property records on file should be traced and explained.

Adoption date: July 26, 2007  
Revised: December 2, 2010  
Revised: May 31, 2012

**CLAIMS AUDITOR**

The Board of Education will designate and appoint a claims auditor for the district. The claims auditor shall serve at the pleasure of the Board. The claims auditor shall report directly to the Board. The claims auditor may not be a member of the Board of Education; the clerk or treasurer of the Board; the Superintendent of Schools or other official of the district responsible for business management; the person designated as purchasing agent; clerical or professional personnel directly involved in accounting and purchasing functions of the district, the individual or entity responsible for the internal audit function, the independent auditor responsible for the annual external audit, and/or a close or immediate family member of an employee, officer or contractor providing services to the district. For purposes of this policy, a close family member shall be defined as a parent, sibling or nondependent child, and an immediate family member shall be defined as a spouse, spouse equivalent, or dependent (whether or not related).

The 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.

The claims auditor shall provide monthly written 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 § 170.12(c)  
*Matter of Levy*, 22 EDR 550 (1983)

Adoption date: November 5, 2020

## CLAIMS AUDITOR EXHIBIT

### Checklist for Audit of Claims

**Beginning check number** \_\_\_\_\_

**Ending check number** \_\_\_\_\_

I hereby certify that the attached schedule of claims has been audited. All claims have been checked for the following:

- \_\_\_\_\_ Mathematical accuracy (extensions, additions, and calculations or discounts)
- \_\_\_\_\_ Duplicate payments (previously paid invoices from vendors have been checked to be sure payment is not a duplicate)
- \_\_\_\_\_ Vouchers have been checked against purchase orders
- \_\_\_\_\_ Travel vouchers are properly itemized (travel vouchers must contain purpose of travel, dates and points of travel and approved rate)
- \_\_\_\_\_ Vouchers for personal service are properly itemized (vouchers must contain purpose, date of service, length of service and approved rate)
- \_\_\_\_\_ Receipts of goods and services are attached to claims
- \_\_\_\_\_ Check to see whether there is an agreement with vendor not to pay late charges. If so, deduct late charges
- \_\_\_\_\_ Sales taxes have not been paid (with the exception of sales taxes on meals)
- \_\_\_\_\_ Mileage and meal claims (incl. sales tax) do not exceed authorization
- \_\_\_\_\_ All claims are for proper school district expenditures

Pre-audit has been completed:

\_\_\_\_\_  
Accounts Payable Clerk

\_\_\_\_\_  
Date

Certified:

\_\_\_\_\_  
Claims Auditor

\_\_\_\_\_  
Date

Adopted: December 2, 2010

Revised: January 16, 2014

Revised: November 5, 2020

**INDEPENDENT/EXTERNAL AUDITS**

As required by law, the school district shall obtain an annual audit of its records by an independent certified public accountant or an independent public accountant. The report of such annual audit shall be presented to the Board of Education by such accountant.

The district shall, within 90 days of the receipt of such report or letter, prepare a corrective action plan in response to any findings contained in the annual external audit report or management letter, or any final audit report issued by the state comptroller. This corrective action plan shall be presented to the Board for review. To the extent practicable, implementation of such corrective action plan shall begin no later than the end of the next fiscal year.

The district shall use a competitive request for proposals (RFP) process when contracting for such annual audit. In addition, pursuant to law, no audit engagement shall be for a term longer than five consecutive years; provided, however, that the district, in its discretion, may permit an independent certified public accountant or an independent public accountant engaged under an existing contract for such services to submit a proposal in response to an RFP or to be awarded a contract to provide such services under a RFP process.

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

Ref: Education Law §2116-a(3)

Adoption date: November 5, 2020

## 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, cell phones 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.

Adoption date: November 5, 2020



## PETTY CASH

Petty cash funds shall be established at each school, cafeterias, transportation office, department of physical education and athletics, department of fine and performing arts, and the district office for the purchase of materials, supplies or services under conditions requiring immediate payment.

The amount of each fund will not exceed \$100.00. The Board of Education shall appoint a supervisor for each petty cash fund who shall administer and be responsible for such fund.

To ensure that these funds are properly managed, the following guidelines shall be followed:

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

The district shall reimburse uses of petty cash funds up to the extent of expenditures, (not to exceed \$25.00), with appropriate documentary support and as approved by the claims auditor. Petty cash funds provided for buildings or activities that do not operate during July/August must be closed out on June 30 and reestablished by Board of Education action at the re-organizational meeting of the Board in July.

Cross-ref: 6700, Purchasing

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

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: January 16, 2014

## PETTY CASH REGULATION

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

1. Deposits to petty cash accounts will be made in amounts which shall not exceed payments made in cash from the fund;
2. Payments made from the funds will be indicated by receipts, receipted bills or other evidence of payments in form available for audit.
3. Cash receipts must contain the following information:
  - a. Name and address of vendor;
  - b. Date of purchase;
  - c. Description of items;
  - d. Unit cost;
  - e. Total cost;
  - f. Acknowledgment of cash payment received; and
  - g. Signature of purchaser.
4. Disbursements will be acknowledged by the signature of the individual receiving payment;
5. Each disbursement will be properly budget coded prior to the disbursement of funds; and
6. A request to replenish the petty cash fund will be accompanied by a summary sheet, signed by the petty cash account supervisor, with all expenditures properly accounted.

The petty cash account supervisor will disburse petty cash only for payment for materials, supplies and services, only when payment is required upon delivery, not to exceed \$25.00

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: January 16, 2014

## 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 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.

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 Regulations of the Commissioner and meet professional auditing standards for independence between the auditor and the district. 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: November 5, 2020

## 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 nine members. The committee shall include: the seven (7) Board members, and up to two (2) community members with two year renewable terms. 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 (see attached exhibit, 6690-E).

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 Assistant Superintendent for Business, or the other district administrators.

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

Adoption date: October 12, 2006  
Revised: December 2, 2010  
Revised: December 10, 2015  
Revised: March 5, 2020

## AUDIT COMMITTEE EXHIBIT

### Audit Committee Authority

Pursuant to a resolution dated October 6, 2005 the Board of Education of the North Shore School District has established an audit committee to assist the Board of Education in the oversight of both the internal and external audit functions. The requirement to create an audit committee was established by Education Law §2116-c. *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.*

### 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 District's Audit Committee is comprised of nine members. The committee shall include: the seven (7) Board members, and up to two (2) community members.

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:

- 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.

### Duties and Responsibilities

The duties and responsibilities of the District's Audit Committee include the following:

- **External Audit Focus**
  - Provide recommendations regarding the 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 in interpreting these documents;
    - Make a recommendation to the Board of Education on accepting the annual audit report;
  - Review every 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.
  - 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.
  - Monitor implementation of the internal auditor's recommendations by management.
  - Provide input on the performance evaluation of the internal auditor.
  
- **Administrative Matters**
  - Hold regularly scheduled meetings.
  - Administer other related duties as prescribed by the Board of Education.
  - Review and revise the Audit Committee Charter.

## **Membership**

The membership duties of the North Shore School District 's Audit Committee includes 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 are precluded from being an Audit Committee member:
  - Someone currently employed by the District
  - Someone currently or previously providing goods or services to the District during the past two years.
  - Someone of the immediate family (spouse, spouse equivalent or dependent, whether or not related) or close family member (parent, sibling or nondependent child) of an individual who is an employee, officer or contractor providing goods or services to the district.
  - Someone who is the owner of or has a direct and material interest in a company providing goods or services to the district.
- **Confidentiality** – During the exercise of duties and responsibilities, the Committee members may have access to confidential information. 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.

### **Meetings and Notification**

The North Shore School District 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. 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.

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
- As appropriate, brief summary of the topics discussed

- Except as otherwise provided by law in connection with executive session, copies of materials discussed or presented at the meeting
- A record of all actions or recommendations agreed to by the committee

### **Decision-Making Process**

A quorum constitutes a simple majority of the total membership and meetings will not be conducted unless a quorum is present. All decisions shall be reached by vote of a simple majority of the total membership.

### **Reporting Requirements**

The North Shore School District Audit Committee has the duty and responsibility to report its activities to the Board of Education. Periodic written 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 Board of Education is kept informed of its work.
- Provide minutes of meetings 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.
- Report on suspected fraud or abuse or material defects in the internal control systems.
- Report on indication of 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 North Shore School District Audit Committee shall assess and report to the Board of Education on the adequacy of this Charter no less than 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.

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: December 10, 2015

Revised: March 5, 2020



## 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 authority 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. Purchasing 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. Environmentally sensitive cleaning and maintenance products will be procured in accordance with standard purchasing procedures as outlined in this policy and regulation.

### Competitive Bidding

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

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

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

### Exceptions to Competitive Bidding

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

1. emergencies where time is a crucial factor;
2. procurements for which there is no possibility of competition (sole source items);
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.
7. sole source.

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

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 state contracts of the Office of General Services, county contracts, or agreements entered into by school districts for joint purchasing 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 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, without disclosure.

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); 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 §§97-g(3), (4), (5); 163; 163-b; 165-a

County Law §408-a(2)

8 NYCRR Part 114

Adoption date: June 15, 2006

Reviewed: July 5, 2007

Approved: July 26, 2007

Revised: December 2, 2010

Revised: January 16, 2014

Revised: July 5, 2016

Revised: December 17, 2020

## PURCHASING REGULATION

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

### I. Definitions

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

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

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

### II. General Municipal Law

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

### III. Competitive Bidding Required

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

1. The district will first determine if the proposed procurement is a purchase contract or a contract for public work.
2. If the procurement is either a purchase contract or a contract for public work, the district will then determine whether the amount of the annual 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.

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. That vendor may be given an opportunity to defend his product and/or reputation before the Board of Education. The decision of the board of Education will be final.

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 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.



The goal of using environmentally preferable cleaning products is to reduce, as much as possible, exposure of employees, children, custodial workers, visitors and other building occupants, along with the environment, to potentially harmful chemicals and substances used in the cleaning of state agency facilities.

The district will purchase effective Green Cleaning products under the following categories.

- General Purpose Cleaners
- Restroom Cleaners
- Toilet Bowl Cleaners
- Carpet Spot Removers & Carpet Cleaners
- Glass, Window & Mirror Cleaners

There are exemptions to the use of Green Cleaning Products.

- The laws for green cleaning products do not supersede or change existing health, labor, education, and environmental regulations and professional guidance related to cleaning and maintenance practices and disposal of hazardous chemicals.
- OGS recognizes that certain circumstances such as: blood spills, food service, swimming pool areas, nursing offices, school-based health centers, and in-school child daycare centers, may call for special cleaning practices that are required by existing laws, regulations, or professional guidance.
- Floor finishes and floor strippers.
- The Guidelines for Green Cleaning do not specifically address disinfectants, because they are not considered cleaners.
- Food based cleaners. (Example: Food based butcher block cleaners or treatment)
- Products used in the service, maintenance & repair of Automotive Engines and Grounds Equipment.
- Products used in the service, maintenance & repair of buses. To be used only in the areas that are not occupied by the driver or pupils.

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 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.

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.

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

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;

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; 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.

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

V. Standardization

Upon the adoption of a resolution by a vote of 3/5ths of the Board stating that, for reasons of efficiency or economy, there is a need for standardization, purchase contracts for a particular type or kind of equipment, material or supplies of more than \$20,000 may be awarded to the lowest responsible bidder furnishing the required security after advertisement for sealed bids. The resolution must contain a full explanation of the reasons for its adoption.

VI. 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 consistent with Exhibit E.1 that will include 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. contacting a number of professionals (e.g., architects, engineers, accountants, lawyers, underwriters, fiscal consultants, etc.) and request that they submit written proposals. The RFPs may include negotiations on a fair and equal basis. The RFPs and evaluation of such proposals will consider price plus other factors such as:
  - a. the special knowledge or expertise of the professional or consultant service;
  - b. the quality of the service to be provided;
  - c. the staffing of the service; and
  - d. the suitability for the district's needs.

The district will first locate prospective qualified firms by:

- a. advertising in trade journals;
- b. checking listings of professionals; or
- c. making inquiries of other districts or other appropriate sources.

The district will then prepare a well-planned RFP which will contain critical details of the engagement, including the methods which it will use in selecting the service.

- 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 0 - \$2,999: Discretion used
  - b. Contracts from \$3,000 to \$4,999: Documented Verbal Quotes (3 vendors)
  - c. Contracts from \$5,000 - \$9,999: Documented Written Quotes (3 vendors)
  - d. Contracts from \$10,000 - \$19,999: RFP issued
  - e. Contracts from \$20,000 + : Competitive Bid
  
2. Public Work Contracts up to \$35,000
  - a. Contracts from 0 - \$4,999: Discretion used
  - b. Contracts from \$5,000- \$9,999: Documented Verbal Quotes (3 vendors)
  - c. Contracts from \$10,000 - \$19,999: Documented Written Quotes (3 vendors)
  - d. Contracts from \$20,000 - \$34,999: RFP issued
  - e. Contracts from \$35,000 + : Competitive Bid
  
3. Emergencies: Other
  
4. Insurance: RFP issued / Other  
Documentation will include 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 issued  
Documentation will include written proposals.
  
6. Lease of Personal Property: Other
  
7. Second Hand Equipment from Other Governments: Other  
Documentation will include market price comparisons (verbal or written quotes) and the name of the government agency.
  
8. Certain Food and Milk Purchases: Other  
Documentation will be consistent with sections 114.3 of the Regulations of the Commissioner of Education.

9. Sole Source: Other

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.

VII. 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 any 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 under BOCES contract;
6. from agencies for the blind and severely disabled.
7. sole source

In addition, the district will not be required to secure such 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);
3. procurements of professional services, which, because of the confidential nature of the services, do not lend themselves to procurement through solicitation; or
4. very small procurements when solicitations of competition would not be cost-effective.

“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.

VIII. Procurements from Other than the “Lowest Responsible Dollar Offer”

The district will provide justification and documentation of any contract awarded to an offer 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.

IX. 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: June 15, 2006

Reviewed: July 5, 2007

Approved: July 26, 2007

Revised: December 2, 2010

Revised: July 5, 2016

Revised: December 17, 2020

## PURCHASING EXHIBIT

*Methods of Competition to be used for Contract Procurements*

	Discretion	Documented Verbal Quotes (3 vendors)	Documented Written Quotes (3 vendors)	RFP	Competitive Bid	Other
<b>Purchase Contracts up to \$20,000</b>						
0 - \$2,999	X					
\$3,000 - \$4,999		X				
\$5,000 - \$9,999			X			
\$10,000 - \$19,999				X		
\$20,000 +					X	
<b>Public Work Contracts up to \$35,000</b>						
0 - \$4,999	X					
\$5,000 - \$9,999		X				
\$10,000 - \$19,999			X			
\$20,000 - \$34,999				X		
\$35,000 +					X	
<b>Emergencies</b>						X
<b>Insurance</b>				X		X
<b>Professional Services</b>				X		
<b>Lease of Personal Property</b>						X
<b>Second-hand equipment from other Gov't agencies</b>						X
<b>Certain food &amp; milk purchases</b>						X
<b>Sole Source (i.e. patented or monopoly item)</b>						X

**NOTES:**

- RFP – Request for Proposal
- If the aggregate amount exceeds the limit above – then use the applicable range for the total purchase

Adoption Date: June 15, 2006  
Reviewed: July 5, 2007  
Approved: July 26, 2007  
Approved: July 22, 2010  
Revised: December 2, 2010  
Reviewed: December 17, 2020



**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: June 15, 2006

Revised: December 2, 2010

Reviewed: December 17, 2020

## **PURCHASING AUTHORITY**

The Board of Education designates Olivia Buatsi, Assistant Superintendent for Business, as Purchasing Agent for the school district and Janet Bates-Wilkins, Assistant Business Manager as Deputy Purchasing Agent, in the absence of the Purchasing Agent. 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.

Ref: Education Law §1709(20-a)

Adoption date: June 15, 2006

Revised: July 23, 2009

Revised: December 2, 2010

Revised: December 15, 2011

Revised: January 16, 2014

## **PURCHASES DIRECTLY CHARGED TO A FEDERAL AWARD**

To the extent that its requirements are not already included in the District's Purchasing Policy or Regulations, the District will comply with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. Part 200 ("Uniform Guidance") when making purchases directly charged to a federal award.

As required by the Uniform Guidance, the following procurement standards and provisions apply only to procurements for goods and services that are directly charged to a federal award and are to be applied in addition to all other provisions set forth above in this Policy. These provisions do not apply to indirect costs.

### **A. GENERAL PROCUREMENT STANDARDS**

(a) The District will use its own documented procurement procedures which reflect applicable State and local regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(b) The District will maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

The District will maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. 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. 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 that 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 of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the District may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct will provide for the possibility of disciplinary action for violations of such standards by officers, employees, or agents of the District.

(c) The District's procedures will avoid acquisition of unnecessary or duplicative items. Consideration should 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 approach.

- (d) The District shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- (e) The District will maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited, to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- (f) (1) The District may use a "time and materials type contract" (to the extent permitted under its Purchasing Policy and Regulations) only after it determines that no other contract is suitable and provided that the contract includes a ceiling price that the contractor exceeds at its own risk. "Time and materials type contract" means a contract for which the cost to the District is the sum of:
  - i. The actual cost of materials; and
  - ii. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
- (2) Since this formula generates an open-ended contract price, a time-and- materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract will set a ceiling price that the contractor exceeds at its own risk. Further, the District will assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- (g) The District alone shall be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes and claims. These standards do not relieve the District of any contractual responsibilities pursuant to its contracts. The Federal awarding agency will not substitute its judgment for that of the District unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority with proper jurisdiction.

**B. COMPETITION**

- (a) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of this policy and applicable law. In order to ensure objective contractor performance and eliminate unfair competitive

advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals will be excluded from competing for those procurements. Some of the situations considered to be restrictive of competition include, but are not limited to:

- (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
  - (2) Requiring unnecessary experience and excessive bonding;
  - (3) Noncompetitive pricing practices between firms or between affiliated companies;
  - (4) Noncompetitive contracts to consultants that are on retainer contracts;
  - (5) Organizational conflicts of interest;
  - (6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
  - (7) Any arbitrary action in the procurement process.
- (b) The District will conduct procurements in a manner that prohibits the use of 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 geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- (c) The District will have written procedures for procurement transactions. These procedures will ensure that all solicitations:
- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description will not, in competitive procurements, contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, will set forth those minimum essential characteristics and standards to which it will conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to

- define the performance or other salient requirements of procurement. The specific features of the named brand which will be met by offers will be clearly stated; and
- (2) Identify all requirements which the offerors will fulfill and all other factors to be used in evaluating bids or proposals.
- (d) The District will ensure that all prequalified lists of persons, firms, or products that are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the District will not preclude potential bidders from qualifying during the solicitation period.

**C. METHODS OF PROCUREMENT TO BE FOLLOWED**

The District will utilize such methods of procurement appropriate for the purchase in question in accordance with its Purchasing Policy and Regulations, provided that the procurement methods conform to applicable standards in accordance with §200.320 of the Uniform Guidance.

**D. CONTRACTING WITH SMALL AND MINORITY BUSINESSES. WOMEN'S BUSINESS ENTERPRISES (SMWBE) AND LABOR SURPLUS AREA FIRMS**

- (a) The District will 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 will 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.

**E. FEDERAL AWARDING AGENCY OR PASS-THROUGH ENTITY REVIEW**

- (a) 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 that review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the District desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with the review usually limited to the technical aspects of the proposed purchase.
- (b) The District will make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents (for example, requests for proposals or invitations for bids, or independent cost estimates), when required under the Uniform Guidance.
- (c) The District is exempt from the pre-procurement review in paragraph (b) above if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of the Uniform Guidance.
  - (1) The District may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews will occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis;
  - (2) The District may self-certify its procurement system. Such self-certification will not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the District that it is complying with these standards. The District will cite specific policies, procedures, regulations or standards as being in compliance with these requirements and have its system available for review.

**F. CONTRACT PROVISIONS.**

The District's contracts with respect to purchases charged directly to federal awards will contain the applicable provisions set forth in Appendix

II to Part 200 (“Contract Provisions for Non-Federal Entity Contracts Under Federal Awards”).

#### **G. PROCEDURES – PAYMENTS**

In order to implement the requirements of § 200.305 “Payments”, the District adopts the following written procedures:

- a. The District’s payment method will minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the District whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.
- b. The District will require recipients to use only OMB-approved standard governmentwide information collection requests to request payment. The District will be paid advance, provided it maintains or demonstrates the willingness to maintain both written procedures that:
  - (i) minimize the time elapsing between the transfer of funds and disbursement by the District;
  - (ii) financial management systems that meet the standards for fund control and accountability as established in this part, advanced payments will be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the district in carrying out the purpose of the approved program or project;
  - (iii) the timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the District for direct program or project costs and the proportionate share of any allowable indirect costs; and
  - (iv) the District must make timely payment to contractors in accordance with the contract provisions.
- c. Whenever possible, advance payments will be consolidated to cover anticipated cash needs for all Federal awards made by the District to recipients.
- d. To the extent available, the District will disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.
- e. Pursuant to § 200.305(b)(6), unless otherwise required by Federal statutes, payments for allowable costs by the District will not be withheld at any time during the period of performance unless the conditions of § 200.207, § 200.338, or one or more of the following applies:
  - (i) The District has failed to comply with the project objectives, Federal statutes, regulations, or the terms and conditions of the Federal award;
  - (ii) The District is delinquent in a debt to the United States as defined in OMB Guidance A–129, “Policies for Federal Credit Programs and Non–Tax Receivables” (under such conditions, the Federal awarding agency or pass-through entity may, upon reasonable notice, inform the District that payments must not be



made for obligations incurred after a specified date until the conditions are corrected or the indebtedness to the Federal government is liquidated); (iii) A payment withheld for failure to comply with Federal award conditions, but without suspension of the Federal award, must be released to the District upon subsequent compliance (when a Federal award is suspended, payment adjustments will be made in accordance with § 200.342);(iv) A payment will not be made to the District for amounts that are withheld by the District from payment to contractors to assure satisfactory completion of work. A payment must be made when the District actually disburses the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

- f. Pursuant to §200.305(7), the District will not maintain separate depository accounts for funds provided to the District or establish any eligibility requirements for depositories for funds provided to the District. However, the District will account for the receipt, obligation and expenditure of funds. Advance payments of Federal funds will be deposited and maintained in insured accounts whenever possible.
- g. The District will maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply: (i) The District receives less than \$120,000 in Federal awards per year; (ii) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances; (iii) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources; (iv) A foreign government or banking system prohibits or precludes interest bearing accounts.
- h. Interest earned amounts up to \$500 per year may be retained by the District for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment in accordance with § 200.305(b)(9).

## **H. PROCEDURES – ACCOUNTABILITY OF COSTS**

In order to implement the requirements of § 200.302(b)(7), the District adopts the following written procedures to determine the allowability of costs in accordance with 2 CFR Part 200, Subpart E Cost Principle:

- a. Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under a Federal award: (i) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles; (ii) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items; (iii) Be

consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District; (iv) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost; (v) Be determined in accordance with generally accepted accounting principles (GAAP); (vi) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period; (vii) Be adequately documented.

- b. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to: (i) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the Federal award; (ii) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award; (iii) Market prices for comparable goods or services for the geographic area; (iv) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, where applicable its students or membership, the public at large, and the Federal government; (v) Whether the District significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.
- c. A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost: (i) Is incurred specifically for the Federal award; (ii) Benefits both the Federal award and other work of the District and can be distributed in proportions that may be approximated using reasonable methods; and (iii) Is necessary to the overall operation of the District and is assignable in part to the Federal award.

Adopted: May 9, 2019  
Revised: March 5, 2020

## 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-numbered purchase order. Checks are always to be voided manually and retained for audit.

The Purchasing Agent shall maintain a complete central record system for the purpose of combining orders, avoiding duplication of purchases, taking full advantage of lowered prices for bulk purchasing, following up on late deliveries, and reconciling deliveries to orders before payment is made. This delivery control will be applied to all purchases, regardless of point of delivery.

Requisitions for budgeted items shall originate from the personnel directly responsible for their use. The Superintendent of Schools shall see that procedures are established for review of requisitions prior to approval or disapproval of purchase.

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

Ref: Office of the State Comptroller-Financial Management Guide

Adoption date: June 15, 2006

Revised: December 2, 2010

## PURCHASING PROCEDURES REGULATION

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

<u>Function</u>	<u>Performed by</u>
A. Requisition	Initiated by user Sent to proper official for approval Copy retained by school
B. Specifications	Prepared in detail by Purchasing 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; orders signed by Purchasing Agent Order.
E. Follow-Up	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 officer giving rise to the claim and auditor after receipt of goods is acknowledged by requisitioner.

Adoption date: June 15, 2006

## 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, but not limited to legal services, medical services, architectural services, construction management services, or specific insurances related to business office functions.

Purchasing professional services does not require competitive bidding. The Board directs the Assistant Superintendent for Business, under the direction of the Superintendent 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 at least every three years, issue professional service RFPs and may conduct interviews as part of the RFP process. The written proposals submitted by applicants shall be maintained for at least six years.

The Superintendent, after a thorough review of the proposals, in consultation with the Assistant Superintendent for Business, and /or other central office administrators and staff, 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: March 5, 2020

## 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 Assistant Superintendent for Business. It shall be the responsibility of the Assistant Superintendent for Business and his/her staff to prepare all payrolls.

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

Payroll procedures will also be reviewed periodically by the internal auditor. The internal auditor will report findings and recommendations to the Board. It is the intention of the Board to take reasonable and necessary steps to safeguard the district's payroll

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

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

Adoption date: June 15, 2006  
Revised: December 2, 2010  
Revised: November 5, 2020

## **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 federal Internal Revenue Service for business travel. Tax exemption letters 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, so that funds may be allocated for this purpose. Board members who attend these meetings should report back to the board about their experiences and share any relevant materials.

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 a claim form, attach all receipts or other expense documentation, together with a copy of the approved conference attendance request form and proof of attendance, 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

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: January 16, 2014



## 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 claim form 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 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.
- 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 a maximum 15% gratuity, for persons traveling for district-related business shall be as follows:

Daily Total \$69.00. this rate will be adjusted every year to reflect the existing IRS rate for Nassau County.

Personal Expenses

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

Adoption date: June 15, 2006  
Revised: December 2, 2010  
Revised: January 16, 2014  
Revised: January 3, 2017

## 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 Assistant Superintendent for Business 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 N.Y. 2d 605 (1955)  
*Matter of Baker*, 14 EDR 5 (1974)  
 Op. St. Compt. 58-120

Adopted: June 15, 2006  
 Revised: December 2, 2010  
 Revised: November 5, 2020