

## **AMAGANSETT UNION FREE SCHOOL DISTRICT RESERVE FUNDS PLAN**

**The practice of planning ahead and systematically saving for contingencies is considered prudent management. The Board of Education, therefore, has established reserve funds to provide resources for intended future use. A reserve fund is a separate account established by a school district to finance expenditures for a specific purpose. Generally, reserve funds are authorized under Education Law or General Municipal Law and must adhere to strict guidelines. The Amagansett UFSD has established the following reserves:**

### **Workers Compensation Reserve (GML section 6-j)**

*Creation-* Established by Board of Education during the 1998-99 school year.

*Purpose-* The workers' compensation reserve is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program.

*Funding Methods-* The reserve may be funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, money in the reserve that exceed the amounts required to be paid for workers compensation, benefits and expenses, plus any pending claims, the Board may elect to either transfer the excess moneys to other reserve funds authorized under General Municipal Law or Education Law, or the excess applied to the appropriations of the next succeeding fiscal year's budget.

*Use of Reserve-* This reserve may be used to finance costs as authorized by law. Use of this reserve each year is limited to the annual expenses incurred in that year and must be authorized by the Board of Education.

*Monitoring of Reserve-* This reserve is monitored by the Superintendent of Schools.

*Funding Level-* Recommended funding level is up to 100% of the previously determined actuarial value of all outstanding self-insured claims as of the prior June 30 plus the current year's anticipated claims.

### **Reserve for Unemployment Insurance (GML section 6-m)**

*Creation-* Established by Board of Education during the 1998-99 school year.

*Purpose-* This reserve 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.

*Funding Methods-* The reserve may be funded by budgetary appropriations, transfers from other reserve funds as permitted by law, and such other funds as the school board may legally appropriate. Funds available at the end of any fiscal year that exceed the amount needed to satisfy existing obligations and pending claims, may, within 60 days of the end of the fiscal

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year, be transferred to another reserve fund as permitted by law or applied to the appropriations of the next succeeding fiscal year's budget.

*Use of Reserve-* This reserve may be used to finance unemployment costs as authorized by law. Use of this reserve each year is limited to the annual expenses incurred in that year and must be authorized by the Board of Education.

*Monitoring of Reserve-* This reserve will be monitored by the Superintendent of Schools in conjunction with other central office administrators to assess the potential for incurring unemployment claims.

*Funding Level-* Funding level will be based on known outstanding claims as of June 30<sup>th</sup> of each year plus the current year's anticipated claims.

### **Reserve for Retirement Contributions (GML section 6-r)-ERS Reserve**

*Creation-* Established by Board of Education on May 12, 2009.

*Purpose-* The retirement contribution reserve fund is used for the purpose of financing the District's required contributions to the NY State and Local Employees' Retirement System.

*Funding Methods-* The reserve may be funded with budgetary appropriations, revenues not required by law to be paid into other funds or accounts, transfers from other reserve funds as permitted by law, and such other funds as the school board may legally appropriate.

*Use of Reserve-* Use of this reserve each year is limited to the annual expenses incurred in that year. The reserve will be appropriated as part of the annual budget process.

*Monitoring of Reserve-* This reserve is monitored by the Superintendent of Schools.

*Funding Level-* The recommended funding level is 2 to 3 years of the district's annual obligation for this expenditure.

### **Reserve for Retirement Contributions Sub-Fund (GML section 6-r)-TRS Reserve**

*Creation-* Established by Board of Education on June 25, 2019.

*Purpose-* The retirement contribution reserve fund is used for the purpose of financing the District's required contributions to the New York State Teachers' Retirement System.

*Funding Methods-* The reserve may be funded with budgetary appropriations, revenues not required by law to be paid into other funds or accounts, transfers from other reserve funds as permitted by law, and such other funds as the school board may legally appropriate. Funding

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amount is limited to 2% of the total compensation or salaries of all teachers employed who are members of the New York State Teachers' Retirement System in the preceding fiscal year.

*Use of Reserve-* Use of this reserve each year is limited to the annual expenses incurred in that year. The reserve will be appropriated as part of the annual budget process.

*Monitoring of Reserve-* This reserve is monitored by the Superintendent of Schools.

*Funding Level-* The Balance may not exceed 10% of the total compensation or salaries of all teachers employed who are members of the New York State Teachers' Retirement system paid during the preceding fiscal year.

### **Reserve for Employee Benefits Accrued Liability (GML section 6-p)**

*Creation-* Established by Board of Education during the 2004-05 school year.

*Purpose-* This reserve is used to pay for unused accumulated leave time earned by employees and payable upon termination of employment.

*Funding Methods-* The reserve may be funded by budgetary appropriations, transfers from other reserve funds as permitted by law, and such other funds as the school board may legally appropriate.

*Use of Reserve-* This reserve may be used to finance costs for terminal pay as authorized by law. Use of this reserve each year is limited to the annual expenses incurred in that year and must be authorized by the Board of Education.

*Monitoring of Reserve-* This reserve is monitored by the Superintendent of Schools. Each year, a detailed analysis of the compensated absences liability is computed and is used to support the funding of this reserve.

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

### **Repair Reserve (GML section 6-d)**

*Creation-* Established by Board of Education on during the 2006-7 school year.

*Purpose-* This reserve is used to pay for non-recurring repairs of capital improvements or equipment. Money in this reserve may also be appropriated to a reserve fund established under Education Law section 3651 (i.e., capital reserve).

*Funding Methods-* The reserve can only be funded by voter approval, either through the annual budgeting process or with a referendum.

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*Use of Reserve-* Use of this reserve may be authorized by Board resolution appropriating moneys from the reserve, subject to a public hearing; at least five days must elapse between the publication of the notice of hearing and the date specified for the public hearing. In an emergency, money in this reserve may be expended without giving notice and without holding a public hearing with a Board resolution approved by at least a two-thirds vote. In addition, at least half of the emergency expenditure must be repaid to the reserve in the next fiscal year and the balance repaid by the end of the fiscal year after that.

*Monitoring of Reserve-* This reserve is monitored by the Superintendent of Schools.

*Funding Level-* There is no limit on the amount that can be accumulated in the fund. Recommended funding level is dependent on District's assessment of capital repairs needs.

**Reserve for Capital Projects (Ed Law section 3651)**

*Creation-* Established with voter approval

*Purpose-* This reserve may be used to fund the cost of any object or purpose for which bonds may be issued.

*Funding Methods-* Voter approval is required to establish and fund this reserve. Proposition must state the purpose of the fund, the ultimate amount thereof, its probable term, and the source from which the funds would be obtained.

*Use of Reserve-* May be used for the specific purpose for which the fund was established. Funds may be transferred with voter approval to other funds established pursuant to section 3651 of the Education Law (section 3651(4)). May be liquidated if voters determine the original purpose for which the fund was established is no longer needed. Proceeds must be applied first to any outstanding bonded indebtedness, with the remaining balance, if any, applied to reduce the annual tax levy subject to certain limitations set in the law (section 3651(5)).

*Monitoring of Reserve-* This reserve is monitored by the Superintendent of Schools.

*Funding Level-* Funding level is determined based on language of the referendum approved by the voters of the district.