DUTIES OF THE CLAIMS AUDITOR REGULATION

I. Purpose

A. The Claims Auditor is responsible for formally examining, allowing, or rejecting all accounts, charges, claims or demands against the District.

II. Qualifications

A. Legal

1. The legal qualifications for appointment to the position of Claims Auditor in union- free school districts are contained within Sections 1709(20-a) and 1724 of the Education Law and Section 170.12 of the Regulations of the Commissioner of Education.

2. Under these sections, individuals eligible for appointment to this office may not be a member of the Board of Education, the Clerk or Treasurer of the Board of Education, 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).

B. Suggested Knowledge and Skills

1. Although the Board recognizes that specific training is not required by law, experience and training in the areas of accounting and auditing is desirable.

2. The Claims Auditor needs to be fully knowledgeable with state and local bidding laws and regulations as well as Board Policies and Regulations.

III. Appointment

A. Establishment of the Claims Auditor is an optional appointment, which rests with the Board of Education (Ed. Law 1709(20-a)). The Claims Auditor serves at the pleasure of the Board. The salary for the Claims Auditor and the form and amount of the bond should be a part of the appointing motion that usually takes place at the organizational meeting.

IV. Primary Relations

A. Board of Education – The Claims Auditor is an employee of the Board of Education and is directly responsible to the Board of Education. The Claims Auditor shall serve at the pleasure of the Board and the Claims Auditor may be abolished by the Board at any time. The Claims Auditor may, at times, be requested to attend meetings of the Board of Education but is not expected to attend regularly.

B. Superintendent of Schools – The Claims Auditor shall recognize that the Superintendent of Schools is the chief executive officer of the school district. The Claims Auditor, while not responsible to the Superintendent of Schools, shall work cooperatively with the Superintendent and their staff in the best interest of the school district.

C. School Business Official–The Claims Auditor shall recognize that the School Business Official is the chief business official of the school district. The Claims Auditor, while not responsible to the School Business Official, shall work cooperatively with that administrator and their staff in the best interests of the school district.

D. Business Office Staff Members – The Claims Auditor is responsible for approving and allowing payment of claims, which were processed and recommended by the business office. The Claims Auditor shall work cooperatively with the business office staff to assure legal and businesslike payment of claims.

V. Approval Resolution

A. In the event of a difference of opinion regarding the approval of a claim for payment that cannot be resolved by reviewing the questioned claim with the appropriate business office personnel (such as the School Business Official), the opinion of the Claims Auditor shall prevail and the item referred to the Board of Education.

VI. Duties and Responsibilities

A. The Claims Auditor is directly responsible to the Board of Education. When the Claims Auditor has been established and a Claims Auditor has been appointed and has qualified, the powers and duties of the Board of Education with respect to auditing, allowing or rejecting all accounts, charges, claims or demands against the school district shall devolve upon and thereafter be exercised by such auditor, during the continuance of such office. (Ed. Law 1709(20-a))

B. Prior to payment, all claims must be presented to and approved by the Claims Auditor charged with the auditing function.

C. When the claims are delivered to the Claims Auditor for approval, he/she should ascertain that at least the following tests have been performed prior to releasing the claim for payment:

1. Track the numerical sequence of the checks being approved.

2. Prove the mathematical accuracy of all computations. This should include verification of extensions and additions and the recalculation of any discount.

3. Determine that the charges are not duplicates of items already paid. In this respect, recollection of a previous voucher with similar charges from the same vendor might be prompting influence to cause further investigation.

4. Compare the voucher with the purchase order.

5. See that the voucher is properly itemized. Vouchers for supplies or materials should show such items as weight or quantity, size, grade, unit price and total, as well as any other data appropriate to the commodity purchased. Vouchers for multiple deliveries of items such as gasoline or fuel oil should be supported by delivery tickets signed by the person accepting delivery and identifying the equipment, storage area or building into which each delivery was made. Delivery tickets furnish added proof that the district actually did receive the items for which it is paying.

6. Vouchers claiming reimbursement for authorized expenses incurred by District personnel, in addition to a copy of the authorization, should show the reason for incurring the expense as well as details of the various items, such as travel, lodging and meals. Where possible, receipted bills should be attached to expense vouchers – a hotel bill is a good example of this type of bill. When a personal car is used for travel, the voucher should indicate the purpose of travel, the number of miles traveled, the dates and points of travel and the rate per mile. The rate per mile should be the rate established by resolution of the Board. Expense vouchers should be submitted by the person incurring the expense and not by another individual, as a part of a general claim for all persons traveling to a common destination.
7. The voucher must contain sufficient detail to permit a satisfactory audit by a person who is entirely unfamiliar with the transaction.
8. In the event that the District has authorized travel advances under Section 77-b of the General Municipal Law, the Claims Auditor should review the written request in advance for proper authorization prior to forwarding the request to the treasurer. When the claims for reimbursement is filed, the Claims Auditor should, in addition to tests previously mentioned for travel claims, make certain that the value of the advance has been deducted from the amount of the claim. Where the amount of such advance exceeds the amount of the final claim, the voucher should be returned to the business office for recovery of the amount due the District.
9. Observe whether the official who gave rise to the claim has indicated their approval. This official is ordinarily the purchasing agent.
10. See that the voucher is accompanied by a receipt of the employee who actually received the materials or equipment for which the claim is made. Normally, this is transmitted through signing and dating the receiving copy of the purchase order.

D. The audit of a voucher by the Claims Auditor should not be a casual review but a deliberate and thorough process to determine that the proposed payment is proper and just. In summary, the audit process should ascertain that:
   1. The proposed payment is for a valid and legal purpose, as per applicable policies, laws, rules, and regulations
   2. The obligation was incurred by an authorized District official and the goods or services for which payment is claimed were, in fact, received
   3. The voucher is in proper form, is mathematically correct, meets legal requirements, does not include any charges for taxes from which the district is exempt, includes any discounts to which the District is entitled, does not include charges previously claimed and paid, and is in agreement with an attached purchase order.

E. The foregoing discussion is limited to vendor claims for goods and services and to claims for travel of officers and employees. However, the Board of Education may, at its option, designate the Claims Auditor to review and certify payrolls, in accordance with the provision of Section 170.2(b) of the Regulations of the Commissioner of Education.

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VII. Certification

A. The Claims Auditor is required to provide the treasurer with evidence that claims have been audited and are eligible for payment. This evidence is provided through a warrant or order on which the audited vouchers have been listed. The warrant or order is directed to the treasurer and is certified by the Claims Auditor.

B. A warrant or order should specify:

1. the number of the voucher (check #);
2. the name of the claimant;
3. the amount allowed;
4. the fund and the appropriation account chargeable;
5. any other information that might be deemed essential.

C. After conveying the warrant to the Treasurer, the Claims Auditor should keep on file for reference, a copy of the warrant bearing his signed certification.

1. A copy of the suggested warrant certification is provided in exhibit 2231-E.

Adopted:	02/09/2005			
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