

SUBJECT: ACCOUNTING OF FUNDS

Accountability for BOCES funds is necessary for the following reasons:

- a) To ensure that funds are not susceptible to loss, theft, waste, or misuse;
- b) To provide necessary data for state reports;
- c) To show compliance with legal mandates;
- d) To provide information that is necessary in policy formulation;
- e) To provide information necessary to the public and the school;
- f) To promote budgetary control.

General Fund

The General Fund is the BOCES' primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Aid Funds

Special aid funds are used to account for special operating projects or programs supported in whole, or in part, with federal funds or state or local grants.

The BOCES will account for each project separately and expend these funds only as authorized by the approved project application.

Custodial Funds

Custodial funds are a class of fiduciary funds. These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the BOCES as an agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

Online Banking

The Board has entered into a written agreement with designated banks and trust companies for online banking and electronic or wire transfers, which includes the implementation of a security procedure for all transactions. Online transactions must be authorized by the BOCES' Business Official. The BOCES Treasurer, with a separate established username and password, will have the authority to process online banking transactions. The Business Office Clerk or Deputy Treasurer, with a separate

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established username and password, will be responsible for online banking transactions in the event the BOCES Treasurer is not available, or as a job responsibility delegated to a designee by the BOCES Treasurer. A monthly report of all online banking activity will be reviewed by staff independent of the online banking process and reconciled with the bank statement. Online banking will only take place on secure BOCES computers located inside the Treasurer's or Business Office.

Electronic Transactions and Wire Transfers

Procedures will be implemented specifying who is authorized to initiate, approve, transmit, record, review, and reconcile electronic transactions. At least two individuals will be involved in each transaction. Authorization and transmitting functions will be segregated and, whenever possible, the recording function will be delegated to a third individual.

The BOCES will enter into written wire transfer security agreements for BOCES bank accounts which will include established procedures for authenticating wire transfer orders. All wire transfers must be authorized by the BOCES Treasurer or his or her designee. Dual approval controls will be established for non-routine wire transfer orders. The Internal Auditor will periodically confirm that wire transfers have appropriate signatures, verification and authorization of proper personnel.

Education Law Section 2116-a
General Municipal Law Sections 5, 5-a, 5-b, and 99-b
N.Y. UCC Section 4-A-201

Adoption Date: 12/12/24