



# RESERVE PLAN

2021-22

**Plan Purpose:**

In order to show transparency and appropriateness of reserve funds, the Otsego Northern Catskills BOCES has developed this Reserve Plan. The purpose of this plan is to report to the participating districts on the existence of reserves, why they are needed and how each reserve is being funded.

**ONC BOCES Reserves:**

Reserves Authorized By General Municipal Law (GML)

Unemployment Insurance Payment Reserve Fund

Employee Benefit Accrued Liability Reserve Fund

Retirement Contribution Reserve Fund

Retirement Contribution Reserve Sub-Fund

Reserves Authorized By Other Statutes

Property Loss Reserve and Liability Reserve Fund

Career Education Instructional Equipment Reserve Fund

**Table of Contents:**

Page 3 - 5

Purpose of each reserve

How to use each reserve

Source of funds

Use of unexpendable balances

Date reserve created

Page 6 - 8

How funding is calculated

Annual funding and balances

ONC BOCES Reserve	Purpose	Authorized	How to Use	Source of Funds	Use of Unexpended Balances	Created by Board Resolution
<b>Reserves Authorized By The General Municipal Law (GML)</b>						
<b>Unemployment Insurance Payment Reserve Fund</b>	To reimburse the State Unemployment Insurance Fund for payments made to the claimants where the municipality has elected to use the "benefit reimbursement" method.  <i>Source: (pg 20, Office of the NEW YORK STATE COMPTROLLER, Local Government Management Guide - Reserve Funds, February 2022)</i>	GML Section 6-m	Expenditures may be made only as required by law to pay into the Unemployment Insurance Fund an amount equivalent to the amount of benefits paid to claimants and charged to the account of the BOCES in accordance with Labor Law Section 581(1)(e).	Budgetary appropriations, amounts from certain other reserve funds, subject to permissive referendum, or other funds that may be legally appropriated	If at the end of any fiscal year, the moneys in the fund exceed amounts required to be paid into the Unemployment Insurance Fund as described above, plus any additional amounts required to pay all pending claims, the governing board, within 60 days of the close of the fiscal year, may elect to transfer all or part of the excess amounts to certain other reserve funds, or apply all or part of the excess to the budget appropriation of the next succeeding fiscal year. If the local government terminates its election to become liable for payments in lieu of contributions (i.e., elects to convert to "tax contribution" basis), moneys remaining in the fund may be transferred to certain other reserve funds, to the extent moneys in the fund exceed amounts sufficient to pay all pending claims.	06/22/10
<b>Employee Benefit Accrued Liability Reserve Fund</b>	To pay for any accrued "employee benefit" due an employee on termination of the employee's service.  <i>Source: (pg 24-25, Office of the NEW YORK STATE COMPTROLLER, Local Government Management Guide - Reserve Funds, February 2022)</i>	GML Section 6-p	Expenditures may be made for the payment of all or part of the cost, including interest, of: a) the cash payment of the monetary value of accumulated or accrued and unused sick leave, holiday leave, vacation leave, time allowance granted in lieu of overtime compensation and other forms of payment for accrued leave time and benefits due to a municipal employee upon termination of municipal employment and separation of service "as required by ordinance, local law, collective bargaining agreement or Section six of the civil service law; b) the reasonable costs of the administration of the reserve fund; c) expert or professional services rendered in connection with the investigation, adjustment or settlement of claims, actions or judgments relating to claims for accrued employee benefits.	Budgetary appropriations, amounts from certain other reserve funds, subject to permissive referendum, other funds that may be legally appropriated	If the governing body determines that such fund is not longer needed, any remaining moneys may be transferred to any other reserve fund authorized by the General Municipal Law (supported by the same tax base) or, in the case of school districts, a reserve fund established under Education Law Section 3651, but only to the extent that the moneys in the employee benefit accrued liability reserve fund exceed a sum sufficient to pay all liabilities incurred or accrued against the employee benefit accrued liability fund, as certified to the governing board by the fiscal and legal officers of the local government prior to the discontinuance of the fund.	05/18/10

ONC BOCES Reserve	Purpose	Authorized	How to Use	Source of Funds	Use of Unexpended Balances	Created by Board Resolution
<b>Retirement Contribution Reserve Fund</b>	<p>For the payment of "retirement contributions", which are defined as all or any portion of the amount payable to the New York State and Local Employees' Retirement System (ERS), pursuant to Sections 17 or 317 of the Retirement and Social Security Law.</p> <p><i>Source: (pg 26, Office of the NEW YORK STATE COMPTROLLER, Local Government Management Guide - Reserve Funds, February 2022)</i></p>	<p>GML Section 6-r</p>	<p>Created, and expenditures authorized, by resolution of the governing board of a municipality, which is also a participating employer, to finance retirement contributions or financing appropriations authorized by law in order to offset all or a portion of the amount deducted from the moneys apportioned to the municipal corporation from the State for the support of common schools. A referendum is not required either to create or expend moneys from the reserve. However, if a municipal corporation elects to participate in the New York State Teachers' Retirement System or to offset the moneys apportioned for support of common schools, then the municipal corporation is required to establish a sub-fund within the retirement contribution reserve fund, which shall be separately administered.</p>	<p>(a) Budgetary appropriations or taxes raised for the reserve  (b) Revenues that are not required by law to be paid into any other fund or account  (c) Amounts from reserve funds established pursuant to Sections 6-c, 6-d, 6-e, 6-f or 6-g of the General Municipal Law (supported by the same tax base), or pursuant to Education Law Section 3651 subject to public hearing requirements  (d) Other funds that may be legally appropriated.</p>	<p>The board may authorize the transfer of a portion of the moneys in the retirement contribution reserve to a reserve fund established pursuant to Sections 6-c, 6-d, 6-e, 6-f or 6-g of the General Municipal Law (supported by the same tax base), or in the case of a school district, a reserve fund established pursuant to Section 3651 of the Education Law. Such a transfer is subject to a public hearing. If the board determines that the retirement contribution reserve is no longer needed, the board may terminate the fund by resolution. The resolution must transfer any moneys remaining in the retirement contribution reserve to one or more reserve funds established pursuant to Sections 6-c, 6-d, 6-e, 6-f or 6-g of the General Municipal Law (supported by the same tax base), or in the case of a school district, one or more reserve funds established pursuant to Section 3651 of Education Law. The governing board of a municipal corporation which is a participating employer as defined pursuant to Education Law 501(3) may authorize by resolution (a) the transfer of all or a portion of the monies in the separately administered sub-fund as to the retirement contribution reserve fund, and/or (b) the transfer of all or a portion of the monies in the retirement contribution reserve fund to the separately administered sub-fund, subject to the limits on annual payments into the sub-fund and the balance of the sub-fund.</p>	<p>05/18/10</p>
<b>Retirement Contribution Reserve Sub-Fund</b>	<p>Monies in this Reserve Sub-Fund may only be appropriated to finance retirement contributions to the New York State Teachers' Retirement System, and/or to offset all or a portion of the amount deducted from the moneys apportioned to the District from the State for the support of schools pursuant to Section 521 of the Education Law.</p> <p><i>Source: (5/15/19 ONC BOCES Resolution creating reserve</i></p>	<p>GML Section 6-r</p>	<p>By resolution, the Board of Education may authorize expenditures from this Reserve Sub-Fund. Except as otherwise provided by law, moneys in this Reserve Sub-Fund may only be appropriated to finance retirement contributions to the New York State Teachers' Retirement System, and/or to offset all or a portion of the amount deducted from the moneys apportioned to the District from the State for the support of schools pursuant to Section 521 of the Education Law.</p>	<p>The source of funds for this Reserve Sub-Fund shall be: such amounts as may be provided therefore by budgetary appropriation therefore; such revenues as are not required by law to be paid into any other fund or account; such other funds as may be legally appropriated; and notwithstanding any law to the contrary, such amounts as may be transferred from a reserve fund established pursuant to Section 6-c, 6-d, 6-e, 6-f or 6-g of Article 2 of the General Municipal Law, comprised of moneys raised from budgetary appropriations in the retirement contribution reserve fund, or a reserve fund established pursuant to Education Law Section 3651, provided that any such transfer shall only be made by Board resolution adopted after a public hearing held on at least 15 days prior notice published in at least one newspaper having general circulation in the District.</p>	<p>No member of the Board of Education or employee of the District shall authorize a withdrawal from this Reserve Sub-Fund for any purpose except as provided in Section 6-r of the General Municipal Law; or expend any money withdrawn from this Reserve Sub-Fund for a purpose other than as provided in Section 6-r of the General Municipal Law.</p>	<p>05/15/19</p>

ONC BOCES Reserve	Purpose	Authorized	How to Use	Source of Funds	Use of Unexpended Balances	Created by Board Resolution
<b>Reserves Authorized By Other Statutes</b>						
<b>Property Loss Reserve and Liability Reserve Fund</b>	To establish and maintain a program of reserves to cover property loss and liability claims.	Education Law Sections 1709[8-c], 1950[4][cc]	Created by resolution of the governing board and used to pay for property loss and liability claims. Separate funds must be established for property loss and for liability claims and the separate identity of each fund must be maintained. There are no referendum requirements to create the funds or expend money from the funds for property loss and liability claims.	Budgetary appropriations. <b>Special Provisions:</b> For BOCES, the total amount of reserves cannot exceed 3% of the annual budget. The reserve may not be reduced below total amounts estimated to be necessary to cover incurred but unsettled claims or suits, including related expenses, other than by payment of losses for which such amounts were established.	For BOCES, the board may authorize use of the reserve funds (other than amounts allocated for unsettled claims or suits including expenses in connection therewith) to pay premiums for insurance policies purchased to insure subsequent losses in areas previously self-insured, in the event of dissolution of the self-insurance plan.	05/18/10
<i>Source: (pg 27-28, Office of the NEW YORK STATE COMPTROLLER, Local Government Management Guide - Reserve Funds, February 2022)</i>						
<b>Career Education Instructional Equipment Reserve Fund</b>	To finance all or part of the cost of the replacement and purchase of advanced technology equipment used in instructional programs conducted by the BOCES.	Education Law Section 1950[4][ee]	Created by resolution of the BOCES governing board and approved by the boards of education of a majority of the school districts participating in the instructional program of the BOCES.	Proceeds from the sale of career education instructional equipment used in the instructional programs of the BOCES and, subject to limitation imposed by regulations of the Commissioner of Education, by including depreciation expenses for the career education instructional equipment used in providing instructional services on a cooperative basis in computation of the cost of such services pursuant to Education Law Section 1950(4)(d), concerning "aidable shared services."	In the event this reserve is liquidated, the moneys must be allocated to the school districts participating in the instructional programs of the BOCES in proportion to the value of their contributions to the fund. This must be done no later than 90 days after the liquidation is approved (pursuant to the Commissioner's Regulations).	07/08/08
<i>Source: (pg 31, Office of the NEW YORK STATE COMPTROLLER, Local Government Management Guide - Reserve Funds, February 2022)</i>						

ONC BOCES Reserve	How Funding is Calculated Reserve = Anticipated Liability	2018-19 Approved Funding by Board Resolution		2018-19 Reserve Balance	2019-20 Approved Funding by Board Resolution		2019-20 Reserve Balance	2020-21 Approved Funding by Board Resolution		2020-21 Reserve Balance	2021-22 Approved Funding by Board Resolution		2021-22 Reserve Balance	Increase or (Decrease) from Prior Year
		Date	Max Amt	06/30/19	Date	Max Amt	06/30/20	Date	Max Amt	06/30/21	Date	Max Amt	06/30/22	
<b>Unemployment Insurance Payment Reserve Fund</b>	Total number of expected FTEs to be on unemployment as of July 1st multiplied by the maximum benefit rate multiplied by expected duration of each FTE to be unemployed by ONC BOCES; Since 2013-14 additional funding included to offset possible increased assessments by the state. As of 2016-17, funding equal maximum yearly expense over past 5 years. Includes projected annual interest on reserve balance. 2019-20 reverting back to original methodology along with a base amount. 2020-21 calculation covers 10% of staff. Includes projected annual interest on reserve balance.	06/12/19	\$40,000	\$37,925	6/10/20 Revised 7/8/20	\$226,105 Revised to \$569,201	\$569,201	06/16/21	\$325,000	\$320,000	06/13/22	\$333,000	\$320,000	\$0
<b>Employee Benefit Accrued Liability Reserve Fund</b>	Use compensated absences balance as of July 1st which includes unused vacation leave, unused sick leave, and unused sick bank days at contracted rates including 100% vested methodology unless employee is under age of 45, then use 78%. Includes projected annual interest on reserve balance.	06/12/19	\$1,470,000	\$1,469,017	06/10/20	\$1,575,000	\$1,557,705	06/16/21	\$1,481,000	\$1,457,002	06/13/22	\$1,518,000	\$1,442,450	(\$14,552)

ONC BOCES Reserve	How Funding is Calculated Reserve = Anticipated	2018-19 Approved Funding by Board Resolution		2018-19 Reserve Balance	2019-20 Approved Funding by Board Resolution		2019-20 Reserve Balance	2020-21 Approved Funding by Board Resolution		2020-21 Reserve Balance	2021-22 Approved Funding by Board Resolution		2021-22 Reserve Balance	Increase or (Decrease) from Prior Year
		Date	Max Amt	06/30/19	Date	Max Amt	06/30/20	Date	Max Amt	06/30/21	Date	Max Amt	06/30/22	
<b>Retirement Contribution Reserve Fund</b>	Use ERS Projection for next year and multiply by 75%. The other 25% falls within current year because ERS billing cycle is from April to March. Effective for 2010-11, 100% of the ERS projected cost will be accounted for in the reserve. Effective 2013-14, increased funding to equal 2 years of expected retirement cost. Includes projected annual interest on reserve balance.	06/12/19	\$850,000	\$832,615	06/10/20	\$935,000	\$921,682	06/16/21	\$1,014,000	\$998,405	06/13/22	\$752,000	\$772,142	(\$226,263)
<b>Retirement Contribution Reserve Sub-Fund</b>	The monies contributed annually to the Reserve Sub-Fund shall not exceed 2% of the total compensation or salaries of all teachers employed by the District who are members of TRS paid during the immediately preceding fiscal year. The balance of the Reserve Sub-Fund shall not exceed 10% of the total compensation or salaries of all teachers employed by the District who are members of TRS paid during the immediately preceding fiscal year. Includes projected annual interest on reserve balance.	06/12/19	\$134,000	\$130,561	06/20/20	\$280,000	\$277,322	06/16/21	\$433,260	\$429,776	06/13/22	\$616,000	\$591,984	\$162,208

ONC BOCES Reserve	How Funding is Calculated Reserve = Anticipated	2018-19 Approved Funding by Board Resolution		2018-19 Reserve Balance	2019-20 Approved Funding by Board Resolution		2019-20 Reserve Balance	2020-21 Approved Funding by Board Resolution		2020-21 Reserve Balance	2021-22 Approved Funding by Board Resolution		2021-22 Reserve Balance	Increase or (Decrease) from Prior Year
		Date	Max Amt	06/30/19	Date	Max Amt	06/30/20	Date	Max Amt	06/30/21	Date	Max Amt	06/30/22	
<b>Property Loss Reserve and Liability Reserve Fund</b>	Total of any possible property loss and liability claims as of June 30th. Includes projected annual interest on reserve balance.	06/12/19	\$2,700	\$2,571	06/20/20	\$0	\$0	6/16/21 Revised 8/18/21	\$10,150 Revised to \$36,000	\$35,500	06/13/22	\$37,000	\$35,559	\$59
<b>Career Education Instructional Equipment Reserve Fund</b>	Proceeds from equipment surplus sales. An amount not to exceed the greater of 20% of the BOCES current year CTE services budget, or \$500,000, may be retained in this fund at the end of each school year for future expenditures, provided that the total amount retained does not exceed \$2,000,000. Includes projected annual interest on reserve balance.	06/12/19	\$442,000	\$314,593	06/20/20	\$538,000	\$427,372	06/16/21	\$653,000	\$523,374	06/13/22	\$758,000	\$620,205	\$96,831