

Port Jefferson UFSD

Review and Use of Existing Restricted Reserve Funds

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Overview

- Restricted Reserves -

- **Restricted reserves are permitted to be used by School Districts to set aside money for a specific purpose**

- **Each type of restricted reserve has its own requirements and law concerning:**
 - **How it is established and funded**
 - **What the money in the reserve can be used**
 - **How to transfer money from the fund**
 - **How to dissolve the fund**

RESTRICTED RESERVES CURRENTLY MAINTAINED BY THE SCHOOL DISTRICT

New York State General Municipal Law 6-j: Workers' Compensation Reserve Fund

- Used for self-insuring workers' compensation claims

Amount Currently in Reserve: \$4,173,490.65

New York State General Municipal Law 6-m: Unemployment Insurance Payment Reserve Fund

- Used for self-insuring unemployment claims

Amount Currently in Reserve: \$2,336,220.43

New York State General Municipal Law 6-p: Employee Benefit Accrued Liability Reserve Fund

- Used for paying the value of accrued and accumulated but unused and unpaid sick leave, personal leave, vacation leave, or compensatory time

Amount Currently in Reserve: \$3,565,992.03



RESTRICTED RESERVES CURRENTLY MAINTAINED BY THE SCHOOL DISTRICT

New York State General Municipal Law: Retirement Contribution Reserve Fund

- Used to finance retirement contributions of employers participating in the retirement system (ERS and TRS)

Amount Currently in Reserve:

ERS Contributions \$3,185,374.84

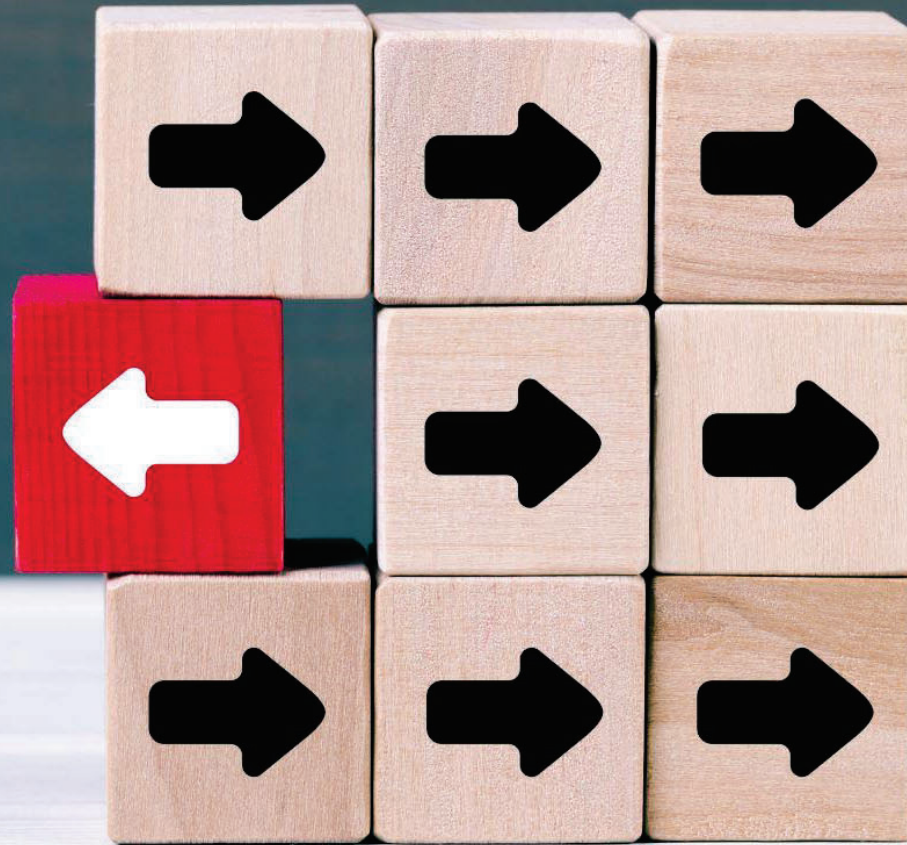
TRS Contributions \$88,938.13

Education Law 3651: Capital Reserve Fund

- Used for anticipated capital projects

Amount Currently in Reserve: \$987,504.04



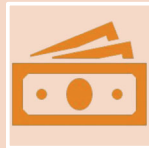


**TRANSFER
S OUT OF
RESTRICT
ED
RESERVES**

How to Take Money Out of a Restricted Reserve



In specific instances, it is legally permissible to transfer excess money from a restricted reserve for an alternate purpose



Where the money can be transferred depends upon the type of restricted reserve

Workers' Compensation Reserve and Unemployment Reserve

Use of Money in Restricted Reserve for Alternate Purposes

- If there is excess money in either reserve at end of fiscal year, within sixty (60) days of close of fiscal year, the excess money may be transferred to another restricted reserve, otherwise excess applied to next fiscal year budget appropriations
- Only to the extent that money in the restricted reserve exceeds an amount sufficient to pay all expenditures, both accrued and contingent
- Can only dissolve if the District ceases to be self insured



Use of
Money in
Reserve
for
Alternate
Purposes

Retirement Contribution Reserve and Employee Benefits Accrued Liability Reserve

- If the Board determines that the reserve is no longer necessary **and it is abolished**, excess funds may be transferred **to another restricted reserve** under limited circumstances

Capital Reserve

- If the Board determines that the reserve is no longer necessary, it may be dissolved
- The proceeds are required to be applied to reduce bond indebtedness first; any balance is applied to the tax levy

An aerial photograph of a multi-lane highway bridge spanning across a large body of water. The water is a deep teal color with visible ripples. The bridge has several lanes in each direction, with a few vehicles visible. The text "Thank you" is overlaid in the center in a white, italicized serif font. An orange arrow-shaped graphic points to the right on the left side of the image.

Thank you