

Claims Auditor Policy

PURPOSE

New York State Education Law, Section 2580, subsection 4 provides that it shall be unlawful for a city treasurer or other officer having the custody of such city funds to permit their use for any purpose other than that for which they are lawfully authorized, and they shall be paid out only on audit of the board of education or as otherwise provided in Section 2580. The Board of Education established the Office of Claims Audit to act on their behalf and assume the powers and duties of the Board of Education in regard to approving or disapproving Claim invoices/vouchers against the District for payment.

AUTHORITY

The Board of Education appoints the Claims Auditor annually at the organizational meeting. The Claims Auditor assumes the powers and duties of the Board of Education for approving or disapproving claims against the District, and retains that authority unless the Board terminates the position.

Once a Claims Auditor is appointed, and until the position is abolished, the Board no longer has the authority to audit and approve District bills. This duty and responsibility has been delegated to the Claims Auditor. The Claims Auditor reports directly to the Board. Concerns are brought directly to the Board.

The Board should direct the Claims Auditor to provide reports in the format that the Board desires, as well as establish the frequency of such reports.

ROLE

Subject to Section 2580 of the Education Law and other applicable Federal and State law, and local procedures and requirements, the Claims Auditor is responsible for auditing claims, charges and demands against the District. As required by Education Law, this individual will review and approve claims brought against the District on behalf of the Board of Education.

The role of the Claims Auditor is not intended to transfer or assume district responsibilities of operating personnel associated with conformance to District policies and practices in support of proper payments.

MEMBERSHIP REQUIREMENTS

There are several individuals that are prohibited by Education Law from being a Claims Auditor. They include:

- Board Member(s)
- Clerk of the Board
- Treasurer
- Superintendent
- Person responsible for business management
- Purchasing agent
- Clerical or professional personnel directly involved in accounting and purchasing.

In addition to individuals prohibited by law from being appointed as a Claims Auditor, other classes of individuals should also not be appointed, including people with:

- Any responsibility for business operations
- A family member with responsibility for business operations
- Contracts (other than employment contracts) with the District
- A family member with contracts (other than employment contracts) with the District.

RESPONSIBILITIES

The Claims Auditor is responsible for the examination and determination of allowance or rejection on all accounts, charges, claims, or demands against the District. The claims auditing process should determine:

- That the proposed payments are for a valid and legal purpose;
- That the obligation was incurred by an authorized District official;
- That the items for which payment is claimed were, in fact, received or, in the case of services, they were actually rendered;
- That the obligation does not exceed the available appropriation; and
- That the submitted voucher is in proper form, mathematically correct, does not include previously paid charges, and is in agreement with the purchase order or contract upon which it is based.

Other Responsibilities

The Board of Education may, by resolution, authorize the payment in advance of audit of claims for public utility services, postage, freight and express charges, electric, gas, water, sewer, and telephone services. Such payments in advance are still subject to review by the Claims Auditor and claimant is liable for amounts disapproved.

The Claims Auditor reports to the Board, as required, for all issues concerning Claims Audit activities and related recommendations.

Confirm to the Board annually whether all responsibilities outlined in this policy have been carried out.

Perform other activities related to this policy as requested by the Board.

References: Education Law §§ 1604 (35); 1709(20-a); 1724; 2509; 2526; 2527; 2580
Financial Accountability Policy 6000

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