CLAIMS AUDITOR REGULATION

The claims auditor is responsible for formally examining all accounts, charges, claims or demands against the Bethlehem Central School District (the District).

Qualifications

Legal
The legal qualifications for appointment to the position of claims auditor in central and union-free school districts and city school districts in cities having a population of 125,000 or less are contained within Sections 1709-20(a) and 2526 of the Education Law, respectively.

Under these sections, individuals eligible for appointment to this office may not be a member of the Board of Education (the Board), the clerk or treasurer of the Board, the superintendent of the District, the official of the District responsible for business management, the person designated as purchasing agent, or clerical/professional personnel directly involved in accounting and purchasing functions of the District.

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

The claims auditor needs to be fully knowledgeable in state and local bidding laws and regulations, as well as Board policies and regulations.

Appointment
The Board shall designate and appoint a claims auditor on an annual basis at the District’s reorganizational meeting in July.

Primary Relations

Board of Education
The claims auditor is an employee of, and directly responsible to, the Board. The claims auditor shall serve at the pleasure of the Board, and the position of 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, but is not expected to attend regularly.

Superintendent
The claims auditor shall recognize that the superintendent is the chief executive officer of the District. The claims auditor, while not responsible to the superintendent, shall work cooperatively with the superintendent and his/her staff in the best interest of the District.

Chief Business and Financial Officer
The claims auditor shall recognize that the chief business and financial officer is the chief business official of the District. The claims auditor, while not responsible to the chief business and financial
officer, shall work cooperatively with that administrator and his/her staff in the best interest of the District.

Business Office Staff Members

The claims auditor is responsible for approving and allowing payment of claims, which have been processed and recommended by the Business Office. The claims auditor shall work cooperatively with the Business Office staff to ensure legal and business-like payment of claims.

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 chief business and financial officer), the opinion of the claims auditor shall prevail and the item should be referred to the Board.

Duties and Responsibilities

The claims auditor is directly responsible to the Board. When the position of claims auditor has been established, and a qualified claims auditor has been appointed, the powers and duties of the Board with respect to auditing, allowing or rejecting all accounts, charges, claims, or demands against the District shall devolve upon and thereafter be exercised by such auditor, during the continuance of such office (Ed. Law 1709-20(a), 2526).

All claims must be presented to and approved prior to the payment by the claims auditor charged with the auditing function. Education Law allows certain claims (public utility services, postage and freight, and express charges) to be paid in advance of audit if the Board authorizes, by resolution, such claims to be paid in advance. All such claims must then be presented for audit.

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 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.
4. Compare the voucher with the purchase order.
5. Verify that the voucher is properly itemized. Vouchers for supplies or materials should show items as weight or quantity, size, grade, unit price, and total, as well as any other data appropriate to the commodity purchased (such as underlying contract/bid/quote documents). Vouchers for multiple deliveries of items, such as gasoline or fuel oil, should be supported by delivery tickets signed by the person accepting the delivery and identifying the equipment, storage area, or building in which each delivery was made. Delivery tickets furnish added proof that the District actually did receive the items for which it is paying.
6. Determine that sufficient detail exists to properly describe the claim. A simple rule to remember on itemization is that the voucher must contain sufficient detail to permit a satisfactory audit by a person who is entirely unfamiliar with the transaction. 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 and/or labor contracts. Expense vouchers should be submitted by the person incurring the expense and not by another individual as a part of general claims for all persons traveling to a common destination.

7. Review the written request for travel advances for proper authorization prior to forwarding the request to the treasurer. When the claim 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 final 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 to the District.

8. Observe whether the official who gave rise to the claim has indicated his/her approval.

9. Verify that the voucher is accompanied by the receipt from 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.

The claims auditor shall provide periodic written reports as may be requested by the Board. Exceptions shall be reported to the Board.

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:

A. The proposed payment is for a valid and legal purpose, as per applicable policies, laws, rules, and regulations;
B. The obligation was incurred by an authorized District official and the goods or services for which payment is claimed were, in fact, received; and
C. The voucher is in proper form and 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.

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

The claims auditor is required to provide the treasurer with evidence that claims have been audited and are eligible for payment. The 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.

A warrant or order should specify:

1. The number of the voucher or purchase order;
2. The name of the claimant;
3. The amount allowed;
4. The fund and the appropriation account chargeable; and
5. Any other information that might be deemed essential.

After conveying the warrant to the treasurer, the claims auditor should keep on file for reference a copy of the warrant bearing the signed certification. A copy of the suggested warrant certification is provided in exhibit 6650-E.

Ref: Education Law §§1709(20-a): 1724; 2509; 2526; 2554(b)
NYCRR, §170.2

Adoption date: October 19, 2005
Revised date: August 9, 2017
Reapproved date: August 7, 2019