

Sherman Central School

February 12, 2020

Reserve Plan

Workers' Compensation Reserve

The Workers' Compensation Reserve was created January 11, 2010 by the Sherman Central School Board of Education as authorized by guidelines of the NYS Comptroller's Office and GML Section 6-j. This reserve is limited to paying for compensation and benefits, medical, hospital or other expenses authorized by Article 2 of the Workers' Compensation Law.

Funding of this reserve will be provided through application of Unassigned Fund Balance upon recommendation of the Superintendent and approval by the Board of Education. The District's goal is to provide a funding level not greater than three (3) years expenses from Workers' Compensation.

The District will utilize funds from this reserve through annual transfers from the Workers' Compensation Reserve to the General Fund as recommended by the Superintendent and upon approval of the Board of Education.

The Superintendent and the Business Administrator will monitor the level and activity of this reserve and make appropriate recommendations to the Board of Education.

Retirement Contribution Reserve

The Retirement Contribution Reserve was created January 11, 2010 by the Sherman Central School Board of Education as authorized by guidelines of the NYS Comptroller's Office and GML Section 6-r. This reserve is limited to use for NYS Employee's Retirement System (ERS) expenses only.

Funding of this reserve will be provided through application of Unassigned Fund Balance upon recommendation of the Superintendent and approval by the Board of Education. The District's goal is to provide a funding level equal to three (3) years expense of the Employee's Retirement System (ERS).

The District will utilize funds from this reserve through annual transfers from the Retirement Contribution Reserve to the General Fund as recommended by the Superintendent and upon approval of the Board of Education.

The Superintendent and the Business Administrator will monitor the level and activity of this reserve and make appropriate recommendations to the Board of Education.

Unemployment Insurance Payment Reserve

The Unemployment Insurance Payment Reserve was created in 1993 by the Sherman Central School Board of Education as authorized by guidelines of the NYS Comptroller's Office and GML Section 6-m. This reserve is limited to reimburse the State Unemployment Insurance Fund for payments made to claimants where the school has elected to use the "benefit reimbursement method".

Funding of this reserve will be provided through application of Unassigned Fund Balance upon recommendation of the Superintendent and approval of the Board of Education. The District's goal is to provide a funding level adequate enough to reimburse the State Unemployment Insurance Fund for up to four (4) years.

The District will utilize funds from this reserve through annual transfers from the Unemployment Insurance Payment Reserve to the General Fund as recommended by the Superintendent and upon approval of the Board of Education.

The Superintendent and the Business Administrator will monitor the level and activity of this reserve and make appropriate recommendations to the Board of Education.

Employee Benefit Accrued Liability Reserve

The Employee Benefit Accrued Liability Reserve was created August 11, 2003 by the Sherman Central School Board of Education as authorized by guidelines of the NYS Comptroller's Office and GML Section 6-p. This reserve is limited to pay for any accrued "employee benefit" due to an employee on termination of the employee's service.

Funding of this reserve will be provided through application of Unassigned Fund Balance upon recommendation of the Superintendent and approval of the Board of Education. The District's goal is to provide a funding level equal to four (4) years of payments for any accrued "employee benefit" due to an employee on termination of the employee's service.

The District will utilize funds from this reserve through annual transfers from the Employee Benefit Accrued Liability Reserve to the General Fund as recommended by the Superintendent and upon approval of the Board of Education.

The Superintendent and the Business Administrator will monitor the level and activity of this reserve and make appropriate recommendations to the Board of Education.

Capital Reserve Fund

The Capital Reserve Fund was created on May 15, 2018 by Sherman Central School voter approval as pursuant to Section 3651 of the Education Law with an initial deposit of \$200,000. This is to be known as the 2018 Capital Reserve Fund. The purpose of this reserve is to use the funds toward finance construction, reconstruction, improvement and equipping of the school building and facilities.

Funding for this reserve is up to the amount of \$1,500,000 plus earnings which voter approval is needed. The probable term of this fund is to be 10 years but such fund shall continue in existence until liquidated in accordance with the Education Law or until the funds are exhausted.

The Superintendent and the Business Administrator will monitor the level of this reserve. Voter approval will be required to spend from the reserve.

Teachers Retirement Reserve Fund

The Teachers Retirement Reserve Fund (a sub fund within the Retirement Contribution Reserve Fund) was created on July 8, 2019 by the Sherman Central School Board of Education as authorized by guidelines of the NYS Comptroller's Office and GML Section 6-r. This reserve is limited to pay for any NYS Teachers' Retirement expenses only.

Funding of this reserve will be provided through application of Unassigned Fund Balance upon recommendation of the Superintendent and approval by the Board of Education. Annually, the Districts contributions to this Reserve 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 this Reserve will 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.

The District will utilize funds from this reserve through annual transfers from the Teachers Retirement Reserve Fund to the General Fund as recommended by the Superintendent and upon approval of the Board of Education.

The Superintendent and the Business Administrator will monitor the level and activity of this reserve and make appropriate recommendations to the Board of Education.