

**Audit**  
**Reference Manual**  
**Appendix 7**

**2023**

**BOCES**

# BOCES

## Overview

BOCES, for the most part, adhere to New York State Law governing school districts, unless noted in Education Law Title 2, Article 40, §1950 - 1952.

Similarly, the New York Codes, Rules and Regulations governs school districts, including BOCES unless noted in NYCRR Title 8, Chapter II, Subchapter L, §170.3, which governs BOCES.

## What is BOCES?

BOCES stands for Board of Cooperative Educational Services. BOCES are public organizations that were created by the New York State Legislature in 1948 to provide shared educational programs and services to school districts.

## The History of BOCES

BOCES owe their origin to a state legislative enactment authorizing the formation of intermediate school districts. Passed in 1948, the act was aimed at enabling small rural school districts to combine their resources to provide services that otherwise would have been uneconomical, inefficient, or unavailable. (Education Law Title 2, Article 40, §1950 - 1952)

## BOCES Membership

The total area under the supervision of a district superintendent is called a supervisory district.

BOCES membership is not available to the so-called "Big Five" city school districts: New York City, Buffalo, Rochester, Yonkers, and Syracuse.

Once a district has joined a BOCES, it cannot withdraw and is obligated to pay its annual share of administrative, rental, or facilities expenses. BOCES services are, however, optional. They may be purchased or not purchased as the district's board of education sees fit. The decision to purchase or not purchase BOCES services is made each year.

## How Does BOCES Work?

BOCES services are created when two or more school districts decide they have similar needs that can be met by a shared program. BOCES help school districts save money by providing opportunities to pool resources and share costs.

Sharing is an economical way for districts to provide programs and services that they might not be able to afford otherwise. It is often more efficient and less costly to operate one central service than it is to have separate programs in each school district. BOCES services are often customized offering districts the flexibility to meet their individual needs.

## **Who Makes the Decision About Which BOCES Services to Purchase?**

Each year, local Boards of Education review their districts' needs and make decisions about BOCES services. Because districts' needs change every year, decisions about BOCES services may also change every year.

The decision to participate in BOCES services is based on the unique needs of each district. If the district doesn't need a BOCES service, it doesn't request it and it doesn't pay for it.

## **Why do School Districts Participate in BOCES Services?**

Because BOCES services are shared by two or more school districts, they often cost much less than if districts provided the services on their own. Districts pool their resources, and share the savings.

In addition, New York State gives a financial incentive to participate in shared services by offering school districts state aid for BOCES services. Here is how BOCES state aid works:

- Each district's Board of Education selects BOCES services for the current year.
- The following school year, a portion of the cost of BOCES services is returned to the district by the State of New York as BOCES aid.
- The amount returned to the district is based on a formula that takes into account the districts' financial resources.
- Money not spent in a CO-SER service is returned to the district at the end of each fiscal year by the BOCES.

## **How are BOCES Services Paid For?**

A BOCES has no taxing authority. Instead, the sources of BOCES funds are primarily taxes levied by its component districts, state aid, and a relatively small amount of federal aid.

These funds support an administrative budget (covering administrative salaries, equipment, and services) and program budget (covering other BOCES programs and services which districts select from the Service Directory, an annual listing of available services). In addition, BOCES may receive and manage funding from outside sources (e.g., state and federal) to cover special projects.

The component district's share of BOCES administrative, lease and capital costs is based either on the Resident Weighted Average Daily Allowance (RWADA) or on real property valuation.

Program costs are proportional to the amount of use each component district requires.

Through BOCES State Aid, component districts receive financial support for their participation in BOCES. The cost charged to a component district for its BOCES participation serves as the basis for the district's BOCES State Aid.

## **What is a CO-SER?**

A CO-SER is an approved cooperative agreement to establish a shared service for one year between a BOCES and two or more districts. Services are provided at the request of component districts to respond to an established need and must be shared. Services should be cost-efficient and effective. Not all BOCES services generate aid; however, all General Fund services must have an approved CO-SER.

A. The two major components of a CO-SER are:

- Program Description: Needs, Planning, Goals, Evaluation, Staffing, Fiscal Data
- Budget Description: Cover Page, Cost and Program Data, Transfers, Sharing/Revenues

## PROGRAM SERIAL NUMBER RANGES

Service Program	Program Serial Numbers
Career and Technical Education	101 – 199
Special Education	201 – 299
Itinerant (All)	301 – 399
Other Service Programs	
General Education	401 – 499
Instructional Support	501 – 599
Non-Instructional	601 – 699
Operation and Maintenance	701
Internal Service Activities	702 – 799
Special Aid Projects	801 – 999

### Apportionment of Surpluses and Assessments for Services

The term "surpluses" means monies received for administrative, capital or service purposes, which at the end of the fiscal year are not expended or encumbered.

The term "assessments for services" means deficits or the amount of money required beyond that budgeted which is subsequently to be charged to the users of a service.

An advisory memorandum from the Office of Counsel includes the following analysis: *Surpluses and deficits must be allocated in the same way as the cost allocation in force for the year involved.*

It is clearly indicated that there must be an annual return of surpluses to users. Surpluses and assessments are to be accounted for by each service and the administrative and capital expenses and prorated among the users on the basis of the original payments for each service and the administrative and capital expenses, annually.

**Education Law Title 2, Article 40, §1950(4)(f):**

*“Receive all reimbursements from public funds on account of the cooperative educational services performed under its jurisdiction, and allocate the costs of cooperative educational activities and shared services including administrative and clerical costs against the component school districts and receive and disburse the same, and to apportion surpluses and assessments for services on the basis of participation to those components and to those school districts outside the board of cooperative educational services contracting for such programs, and to apportion surpluses and assessments for administrative expenses to all component districts. All such apportionments shall be made annually.”*

**Allocation of Costs - Services**

A local uniform cost must be established for each service based on one of the following: Anticipated participation in the ensuing year; Participation in the current year; or a two or three-year average including participation in the current year.

The unit cost shall be the same for all participating districts based on a uniform methodology approved annually by at least three-fourths of the participating districts, after consultation by local school officials with their respective boards of education.

Such local uniform cost shall be subject to final adjustment for programs for students with disabilities based on actual participation in accordance with the Commissioner's Regulations.

**Education Law Title 2, Article 40, §1950(4)(d)(4):**

*“...any component school district which does not elect to participate in any such specific cooperative services authorized under this paragraph shall not be required to pay any share of the moneys provided in the budget as salaries of teachers or other personnel employed in providing such service, for equipment and supplies for such service or for transportation of pupils to and from the place where such service is maintained. Provided, further, that a board of cooperative educational services may allocate the cost of such services to component school districts in accordance with terms agreed upon between such board and three-quarters of the boards of education and trustees of local school districts participating in the service.”*

**New York Codes, Rules and Regulations, Title 8, Chapter II, Subchapter L, §170.3(g)(9):**

*“(9) For purposes of the report to the commissioner pursuant to this section, the budgeted cost of shared services to be allocated among component school districts for the current school year shall be computed by determining the rate to be charged for each type of service in accordance with paragraphs (1) through (6) of this subdivision, as determined by the board of cooperative educational services as of a date or dates no later than May 15th of the school year prior to the service being provided. After the conclusion of the current school year, the board of cooperative educational services shall adjust such rates to reflect unanticipated changes in each district's enrollment that occur during the current school year, and, on or before September 1st next following the close of the school year, shall report the actual cost of shared services based upon actual participation through the end of the school year.”*

## Procurement Policy

### Education Law Title 2, Article 40, §1950(18):

*“Accountability of personal property. On or before January first, nineteen hundred ninety-seven, each board of cooperative educational services shall develop and adopt a formal policy on personal property accountability, including the acquisition, sale and disposal of personal property. Such policy shall be approved by the commissioner consistent with regulations adopted for such purpose, which shall include but not be limited to (a) procedures for the acquisition of personal property both by purchase and by gift, (b) procedures for the periodic inventory of personal property, and (c) procedures for the sale of valuable personal property to the highest bidder, except however that vehicles received at no cost for use in an authorized welfare to work program may be transferred at no cost or at cost of repairs, where repairs have been made to the vehicle at the board of cooperative education services, to participants who have met all the program requirements. Each such board shall periodically review and update such policy, provided that any amendments of the policy shall be subject to approval of the commissioner.”*

### New York Codes, Rules and Regulations, Title 8, Chapter II, Subchapter L, §170.3(i)(3):

*“Review and amendment of policy. Each board of cooperative educational services shall annually review its policy on personal property accountability, and make any amendments it deems necessary. Any such amended policy shall be submitted to the commissioner for approval within 30 days of its adoption by the board of cooperative educational services.”*

## Prior Period Adjustments

The BOCES should:

- Report any refunds of prior period expenditures as revenue items, not as negative expenditures, with no restatement of prior period financial statements;
- Report any refunds of prior period revenues (amounts erroneously received) as debits to the revenue account originally charged, i.e., as negative revenues, with no restatement of prior period financial statements;
- Report any correction of a material error for a prior period (including the correction of an inappropriate accounting method) as an adjustment to the beginning fund balance, in which case the previous financial statements should be restated;
- Report any change in estimate as an adjustment through the current revenue account, with no restatement of prior period financial statements;
- Report any changes in accounting methods as cumulative effects of the change on the activity statement (Statement of Revenues and Expenditures and Changes in Fund Balance), with no restatement of prior period financial statements.

**References:**

**New York State Education Department**

[BOCES Link](#)

**New York State Codes, Rules, and Regulations**

[NYS Codes, Rules, and Regulations](#)

**New York State Laws**

[NYS Laws](#)

**BOCES Homepage**

[BOCES](#)

Information presented came from these sources:

1. [NYSED About BOCES](#)
2. BOCES Administrative [Handbook 3](#)
3. [NYSED State Aid](#)