

August 1997

TO: New York State Fiscal Officers of Participating Municipalities
FROM: New York State Office of the State Comptroller, Division of Municipal Affairs
SUBJECT: New York City Watershed Agreement

Please distribute copies of this bulletin to others who need the information. Accounting questions should be directed to the Bureau of Municipal Accounting Systems at (518) 474-6023.

BACKGROUND

On January 21, 1997, the City of New York, the State of New York, the United States Environmental Protection Agency, the Coalition of Watershed Towns, the County of Putnam, the County of Westchester, each of the counties, towns and villages shown in Attachment A, and various environmental organizations, entered into an agreement for the purpose of protecting New York City's drinking water supply and the economic vitality of the upstate Watershed communities. The agreement provides for expenditures by New York City and the State of New York on various long-range watershed protection and water quality enhancement programs.

ACCOUNTING REQUIREMENTS

Expenditures

Expenditures in connection with the various programs will be shown as an accounting entry in the appropriate operating fund or district as such:

522 Expenditures
 8989 Other Home and Community Services (Specify)
 Or
 xxxx some other subsidiary account *
 And
 200 Cash
 Or
 600 Accounts Payable

* Some expenditures, such as payments involved with the "Tax Consulting" and "Good Neighbor" programs, will not necessarily be charged to subsidiary account 8989 but to different and more appropriate functional line items based on individual circumstances.

(CONTINUED)

Revenues (Based on Claims Submitted for Reimbursement)

Revenues based on claims submitted for reimbursement of expenditures will be shown as an accounting entry in the appropriate operating fund or district as follows:

440 Due from Other Governments *

Or

410 State and Federal, Other **

980 Revenues

2189 Other Home and Community Services, Other Governments

Or

3989 Other Home and Community Services, (Specify)

* Account 440 Due from Other Governments will be used by towns and villages when claiming reimbursement through their respective counties and by counties when claiming reimbursement from New York City. This account will also be used even when the claim and the payment is being administered by a non-governmental entity such as the Catskill Watershed Corporation.

** Account 410 State and Federal, Other will be used by those municipalities submitting reimbursement claims directly to New York State.

Counties, when acting as a conduit for towns and villages in the submission of claims to New York City, will have to modify the above entry to record a liability for the amount due to those towns and villages. The counties will recognize as revenue, only that portion directly attributable to its own finances. Account 631 Due to Other Governments will be used to record the portion due to the towns and villages, as shown in the following accounting entry:

440 Due from Other Governments

Or

410 State and Federal, Other

631 Due to Other Governments

And

980 Revenues

2189 Other Home and Community Services, Other Governments

Or

3989 Other Home and Community Services, (Specify)

(CONTINUED)

Revenues (Other Than Based on Claims for Reimbursement)

Money received which is not based on the submission of a claim for reimbursement (e.g. “Good Neighbor” payments), shall be recorded when received in cash. The following entry shall be recorded in the appropriate operating fund or district:

200 Cash
 980 Revenues
 2189 Other Home and Community Services, Other Governments
 Or
 3989 Other Home and Community Services, (Specify)

State Revolving Fund for Water Pollution Control (Westchester and Putnam Counties Only)

The State, through the Environmental Facilities Corporation, will provide a minimum of \$17 million in subsidized financing to Westchester and Putnam Counties to finance the construction costs of a sewage diversion project and other eligible projects. The accounting entries to be used for these transactions are similar to those detailed in our June 1995 accounting release dealing with the NYS Emergency Services Revolving Loan Account. Please contact our office directly if you need a copy of that release.

ADMINISTRATIVE MATTERS

Bank Accounts - The Watershed Agreement does not require the use of separate bank accounts.

Budgets - Local budgets will need to be amended in order to appropriate revenues received which were not based on claims for reimbursement. The governing board will need to pass a resolution in order to make the following journal entry:

510 Estimated Revenues
 xxxx Appropriate subsidiary account
 960 Appropriations
 xxxx Appropriate subsidiary account

- End of Bulletin -

List of municipalities which are parties

Delaware County

Town of Andes
Village of Andes
Town of Bovina
Town of Colchester
Town of Delhi
Village of Delhi
Town of Deposit
Village of Fleischmanns
Town of Franklin
Town of Hamden
Town of Harpersfield
Village of Hobart
Town of Kortright
Village of Margaretville
Town of Masonville
Town of Meredith
Town of Middletown
Town of roxbury
Town of Sidney
Town of Stamford
Village of Stamford
Town of Tompkins
Town of Walton
Village of Walton
Village of Walton

Greene County

Town of Ashland
Town of Halcott
Town of Hunter
Village of Hunter
Village of Hunter
Town of Jewett
Town of Lexington
Village of Tannersville
Town of Prattsville
Town of Windham

Putnam County

Village of Brewster
Town of Carmel
Town of Putnam Valley
Town of Kent
Town of Southeast
Townof Patterson

Schoharie County

Town of Broome
Town of Conesville
Town of Gilboa
Town of Jefferson

Sullivan County

Town of Fallsburg
Town of Liberty
Townof Neversink

Ulster County

Town of Denning
Town of Hardenburgh
Town of Hurley
Town of Kingston
Town of Marbletown
Town of Oliv
Town of Rochester
Town of Shandaken
Town of Wawarsing
Town of Woodstock

Westchester County

Town of Bedford
Town of Cortlandt
Town/Village of Harrison
Town of Lewisboro
Town/Village of Mount Kisco
Town of Mount Pleasant
Town of New Castle
Town of North Castle
Town of North Salem
Town of Pound Ridge
Town of Somers
Town of Yorktown

Town of East Fishkill; Dutchess County
Town of Pawling; Dutchess County