

PART 203

BUDGET AND FINANCIAL PLAN FORMAT, SUPPORTING DOCUMENTATION
AND MONITORING – PUBLIC AUTHORITIES

(Statutory Authority: Constitution, art. X, § 5; State Finance Law §8[14])

Sec.	
203.1	Purpose
203.2	Applicability
203.3	Definitions
203.4	Submission of Budgets and Financial Plans
203.5	Budget and Financial Plan Format
203.6	Budget and Plan Presentation
203.7	Supporting Documentation
203.8	Reporting
203.9	Certification
203.10	Covered Public Authorities

Section 203.1 Purpose.

The purpose of this Part is to set forth specific requirements in connection with the submission and format of, the preparation of supporting documentation for, and the monitoring of, annual budgets and financial plans of the public authorities listed in this Part. All requirements of this Part apply immediately upon the effective date of this Part, except as otherwise consented to by the State Comptroller at the request of individual public authorities, upon good cause shown.

§ 203.2 Applicability.

Except as provided in the next sentence, this Part shall apply to every authority, commission or public benefit corporation identified as a "public authority" in section 203.10 of this Part, unless a waiver is granted by the State Comptroller upon good cause shown. The Metropolitan Transportation Authority and its Agencies shall continue to be governed by 2 NYCRR Part 202 with the exception that subdivisions a through e of section 203.4, subdivisions d and g of section 203.6, and subdivision b and c of section 203.8 of this Part shall also apply to the Metropolitan Transportation Authority and its Agencies; provided, however, that with respect to the Metropolitan Transportation Authority and its Agencies, the definitions set forth in Part 202 of this chapter shall be used for purposes of determining compliance with the applicable provisions of this Part.

§ 203.3 Definitions.

For purposes of this Part:

(a) "Affiliate" shall mean a corporate body or company controlling, controlled by, or under common control with another corporate body.

(b) "Board" shall mean the governing board, members of the public authority, board of directors, board of trustees or trustees or other similar governing body as described in the laws, articles of incorporation or corporate by-laws creating and/or governing the authority.

(c) "Budget" shall mean the proposed and approved budgets, and any amendments or modifications thereto, of the public authority. The budget shall include all the organizations, programs, activities, and functions of the public authority that comprise its accounting entity in accordance with accounting principles generally accepted in the United States of America.

(d) "Chief financial officer" shall mean the treasurer, chief fiscal officer or other executive level officer directly responsible for overseeing the financial activities of the public authority.

(e) "Chief operating officer" shall mean the executive director or other executive level officer responsible for overseeing the day-to-day activities of the public authority.

(f) "Debt" shall mean bonds, notes, contractual financing arrangements, or other evidences of indebtedness issued by the public authority for any purpose.

(g) "Financial Plan" shall mean the budget for the current fiscal year and revenue and expenditure projections, in a format consistent with the budget, for at least the three following years.

(h) "Gap" shall mean the difference between projected revenues and other financing sources and expenditures and other financing uses for any given fiscal year before proposed management actions that would increase revenues or reduce costs.

(i) "Gap-closing program" shall mean any combination of management actions that reduce costs or increase revenues that lower a gap in any given fiscal year.

(j) "Subsidiary" shall mean a corporate body or company (i) having more than half of its voting shares owned or held by a public authority specified in this section, or (ii) having a majority of its directors, trustees or members in common with the directors, trustees or members of a public authority specified in this section or as designees of a public authority specified in this section.

§ 203.4 Submission of Budgets and Financial Plans.

(a) All public authorities shall prepare an annual budget and financial plan in accordance with this Part.

(b) The budget and financial plan, and all amendments or modifications thereto, shall be approved by the Board.

(c) All proposed budgets and financial plans shall be made available for public inspection at least 30 days before approval by the Board, and not less than 60 days before the commencement of the next fiscal year.

(d) All approved budgets and financial plans shall be made available for public inspection, whenever practicable, not less than 7 days before the commencement of the next fiscal year, and shall be submitted to the State Comptroller within 7 days of approval by the board, in an electronic format prescribed by the State Comptroller.

(e) For purposes of making budgets and financial plans available for public inspection under subdivisions (c) and (d) of this section, the public authority shall make the budgets and financial plans available for a period of not less than 45 days in not less than five convenient public places throughout the area of jurisdiction of the authority and notify the State Comptroller of such locations. The public authority shall also post the budgets and financial plans on its website, if any.

§ 203.5 Budget and Financial Plan Format.

Each budget and financial plan shall:

(a) be prepared in accordance with accounting principles generally accepted in the United States of America on a modified accrual basis. When an organization, program, activity or function that is reportable under such principles is not included in the budget, the budget shall clearly disclose this exclusion and the associated justification;

(b) be based on reasonable assumptions and methods of estimation;

(c) be organized in a manner consistent with the authority's programmatic and functional activities;

(d) include detailed estimates of projected operating revenues and other sources of funding;

(e) include detailed estimates of personal service expenses related to employees (e.g., salary and wage costs, overtime, health insurance and pension costs) and personal service contracts with outside contractors;

(f) include detailed estimates of non-personal service operating expenses (e.g., materials and supplies, contracts, and rentals);

(g) include estimates of projected debt service expenditures; and

(h) include a corresponding cash budget and financial plan, and identify all material cash adjustments.

§ 203.6 Budget and Financial Plan presentation.

Each budget or financial plan shall be accompanied by:

(a) an explanation of the public authority's relationship with the unit or units of government, if any, on whose behalf or benefit the authority was established;

(b) a description of the budget process, including the dates of key budget decisions;

(c) a description of the principal budget assumptions, including sources of revenues, staffing and future collective bargaining costs, and programmatic goals;

(d) a self-assessment of budgetary risks;

(e) a revised forecast of the current year's budget;

(f) a reconciliation that identifies all changes in estimates from the projections in the previously approved budget or plan;

(g) a statement of the last completed fiscal year's actual financial performance in categories consistent with the proposed budget or financial plan;

(h) a projection of the number of employees, including sources of funding, the numbers of full-time and full-time equivalents, and functional classifications;

(i) a statement of each revenue-enhancement and cost-reduction initiative that represents a component of any gap-closing program and the annual impact on revenues, expenses and staffing;

(j) a statement of the source and amount of any material non-recurring resource that is planned for use in any given fiscal year;

(k) a statement of any transactions that shift material resources from one year to another and the amount of any reserves;

(l) a statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan; the planned use or purpose of debt issuances; scheduled debt service payments for both issued and proposed debt; the principal amount of proposed debt and assumed interest rate(s); debt service for each issuance as a percentage of total pledged revenues, listed by type or category of pledged revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met; and

(m) a statement of the annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of the annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects or capital categories that, when placed into service, are expected to have a material impact on the operating budget.

§ 203.7 Supporting Documentation.

The public authority shall prepare working papers that detail the assumptions and methods of estimation used to calculate all operating and capital budget projections, consistent with prudent budgetary practices. The working papers shall be completed contemporaneously with the release of the budget or plan and shall include a statement supporting the reasonableness of each estimate, and the underlying information on which the estimate

is based, such as actual results from prior years, inflationary trends and economic data, assumptions regarding the cost of future collective bargaining agreements, utilization, demographic and other pertinent data.

§ 203.8 Reporting.

The chief financial officer shall:

(a) provide to the Board a written mid-year update on the budget and associated financial plan and should present at least quarterly updates to the Board on the status of actual revenues and expenses compared to annual budget targets. The mid-year report shall explain and quantify material variances that are due to timing or have a budgetary impact, and include an assessment of the annual impact. The report also shall include the status of capital projects, including but not limited to, commitments, expenditures and completions, and an explanation of material cost overruns and delays;

(b) report publicly not later than 90 days after the close of each fiscal year on actual versus budgeted results; and

(c) inform the State Comptroller in writing at any point during the fiscal year when the chief financial officer learns of the potential financial impact of any adverse development that would materially affect the budget or financial plan.

§ 203.9 Certification.

Included in each budget and financial plan shall be a certification by the chief operating officer to the effect that, to the best of his or her knowledge and belief after reasonable inquiry, the budget or plan, as the case may be, is based on reasonable assumptions and methods of estimation and that these regulations have been satisfied. The certification shall be presented to the Board and shall be released to the public along with the budget or financial plan, as the case may be.

§ 203.10 Covered Public Authorities.

The following entities, including any and all affiliates and subsidiaries, shall be considered "public authorities" for purposes of this Part:

1. Agriculture and New York State Horse Breeding Development Fund, created by or existing under section 330 of the Racing, Pari-mutuel Wagering and Breeding Law.
2. Albany Port District Commission, created by or existing under section 1 of chapter 192 of the laws of 1925.
3. Battery Park City Authority, created by or existing under section 1973 of the Public Authorities Law.
4. Buffalo Fiscal Stability Authority, created by or existing under section 3852 of the Public Authorities Law.

5. Capital District Transportation Authority, created by or existing under section 1303 of the Public Authorities Law.
6. Central New York Regional Transportation Authority, created by or existing under section 1328 of the Public Authorities Law.
7. Community Facilities Project Guarantee Fund, created by or existing under section 14 of chapter 1013 of the laws of 1969.
8. City University Construction Fund, created by or existing under section 6272 of the Education Law.
9. Development Authority of the North Country, created by or existing under section 2703 of the Public Authorities Law.
10. Dormitory Authority of the State of New York, created by or existing under section 1677 of the Public Authorities Law.
11. Erie County Fiscal Stability Authority, created by or existing under section 3952 of the Public Authorities Law.
12. Erie County Medical Center Corporation, created by or existing under section 3628 of the Public Authorities Law.
13. Executive Mansion Trust, created by or existing under section 54.05 of the Arts and Cultural Affairs Law.
14. Hudson River-Black River Regulating District, created by or existing under section 15-2137 of the Environmental Conservation Law.
15. Hudson River Park Trust, created by or existing under section 5 of chapter 592 of the laws of 1998.
16. Industrial Exhibit Authority, created by or existing under section 1651 of the Public Authorities Law.
17. Life Insurance Guaranty Corporation, created by or existing under section 7503 of the Insurance Law.
18. Long Island Power Authority, created by or existing under section 1020-c of the Public Authorities Law.
19. Metropolitan Transportation Authority, created by or existing under section 1263 of the Public Authorities Law.

20. Municipal Assistance Corporation for the City of New York, created by or existing under section 3033 of the Public Authorities Law.

21. Municipal Assistance Corporation for the city of Troy, created by or existing under section 3053 of the Public Authorities Law.

22. Nassau County Interim Finance Authority, created by or existing under section 3652 of the Public Authorities Law.

23. Nassau Health Care Corporation, created by or existing under section 3402 of the Public Authorities Law.

24. Natural Heritage Trust, created by or existing under section 55.05 of the Arts and Cultural Affairs Law.

25. Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation, created by or existing under section 3 of chapter 688 of the laws of 1979.

26. New York Convention Center Operating Corporation, created by or existing under section 2562 of the Public Authorities Law.

27. New York State Bridge Authority, created by or existing under section 527 of the Public Authorities Law.

28. New York State Energy Research and Development Authority, created by or existing under section 1852 of the Public Authorities Law.

29. New York State Environmental Facilities Corporation, created by or existing under section 1282 of the Public Authorities Law.

30. New York State Housing Finance Agency, created by or existing under section 43 of the Private Housing Finance Law.

31. New York Job Development Authority, created by or existing under section 1802 of the Public Authorities Law.

32. New York Local Government Assistance Corporation, created by or existing under section 3233 of the Public Authorities Law.

33. New York State Archives Partnership Trust Board, created by or existing under section 4 of the New York State Archives Partnership Trust Act, as added by section 1 of chapter 758 of the laws of 1992.

34. New York State Foundation for Science, Technology and Innovation, created by or existing under section 3151 of the Public Authorities Law.

35. New York State Olympic Regional Development Authority, created by or existing under section 2608 of the Public Authorities Law.

36. New York State Project Finance Agency, created by or existing under section 2 of chapter 7 of the laws of 1975.

37. New York State Sports Authority, created by or existing under section 2463 of the Public Authorities Law.

38. New York State Theatre Institute Corporation, created by or existing under section 9.05 of the Arts and Cultural Affairs Law.

39. New York State Thoroughbred Breeding and Development Fund Corporation, created by or existing under section 245 of the Racing, Pari-mutuel Wagering and Breeding Law.

40. New York State Thoroughbred Racing Capital Investment Fund, created by or existing under section 253 of the Racing, Pari-mutuel Wagering and Breeding Law.

41. New York State Thruway Authority, created by or existing under section 352 of the public Authorities Law.

42. New York State Urban Development Corporation, created by or existing under section 4 of the New York State Urban Development Corporation Act, as added by section 1 of chapter 174 of the laws of 1968.

43. New York Wine/Grape Foundation, created by or existing under section 2 of chapter 80 of the laws of 1985.

44. Niagara Frontier Transportation Authority, created by or existing under section 1299-c of the Public Authorities Law.

45. Ogdensburg Bridge and Port Authority, created by or existing under section 725 of the Public Authorities Law.

46. Port of Oswego Authority, created by or existing under section 1353 of the Public Authorities Law.

47. Power Authority of the State of New York, created by or existing under section 1002 of the Public Authorities Law.

48. Rochester-Genesee Regional Transportation Authority, created by or existing under section 1299-dd of the Public Authorities Law.

49. Roosevelt Island Operating Corporation, created by or existing under section 3 of chapter 899 of the laws of 1984.

50. Roswell Park Cancer Institute Corporation, created by or existing under section 3553 of the Public Authorities Law.

51. State of New York Mortgage Agency, created by or existing under section 2403 of the Public Authorities Law.

52. State of New York Municipal Bond Bank Agency, created by or existing under section 2433 of the Public Authorities Law.

53. State University Construction Fund, created by or existing under section 371 of the Education Law.

54. United Nations Development Corporation, created by or existing under section 4 of chapter 345 of the laws of 1968.

55. Westchester County Health Care Corporation, created by or existing under section 3303 of the Public Authorities Law.