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.
**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)
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

**Schoharie County**
- Town of Broome
- Town of Conesville
- Town of Gilboa
- Town of Jefferson

**Sullivan County**
- Town of Fallsburg
- Town of Liberty
- Town of Neversink

**Ulster County**
- Town of Denning
- Town of Hardenburgh
- Town of Hurley
- Town of Kingston
- Town of Marletown
- 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

**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
- Town of Patterson