

Greenburgh Central School District

Procurement

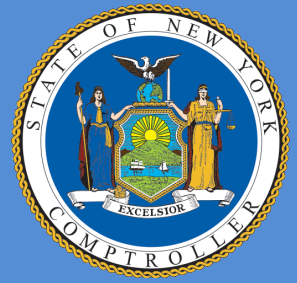
2024M-147 | October 2025

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Audit Results

Greenburgh Central School District



Audit Objective

Audit Period

Did Greenburgh Central School District (District) officials procure time and materials contracts in a cost-efficient manner and provide oversight of awarded contracts?

July 1, 2022 – August 31, 2023

Understanding the Audit Area

School districts (districts) periodically seek competition for certain goods and services which are anticipated by the district on an as needed basis. Time and materials contracts may be used by districts when the district is unable to provide precise quantity requirements for a particular project due to indeterminate needs throughout a fiscal year. Under such circumstances, a district's contract may be competitively bid based on a cost per unit/labor hour rather than a fixed cost. The Board of Education (Board) designated a purchasing agent to be responsible for overseeing the District's purchasing function.

District officials entered into time and materials contracts with multiple vendors to perform maintenance, service repair and minor projects (e.g., construction, electrical and plumbing). In total, the District paid \$3.8 million to 32 vendors for time and materials contracts during our audit period.

Audit Summary

District officials generally procured time and materials contracts in a cost-efficient manner through the use of competitive bids or an exception to the competitive bidding process. However, District officials did not confirm that the goods and services billed by the vendor and paid by the District were accurate and complied with the applicable bid specifications or, in some circumstances, the terms of the contract. Because officials did not ensure payments were in accordance with contract terms, officials overpaid three vendors a total of \$55,015. In addition, officials did not ensure all vendor invoices were properly supported and audited before payment. As a result, there is an increased risk that paid claims may not be for legitimate expenditures.

The report includes two recommendations that, if implemented, will help improve District officials' ability to determine whether the goods and services billed and paid for were accurate and complied with the applicable contract or bid terms. District officials agreed with our recommendations and indicated they have initiated corrective action.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. Our methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of the New York State General Municipal Law, Section 2116-a (3)(c) of the New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The CAP should be posted on the District's website for public review.

Procurement: Findings and Recommendations

A district is authorized, as an exception to the competitive bidding process set forth in General Municipal Law (GML), to make purchases from State contracts awarded by the New York State Office of General Services (OGS) or other governmental contracts, commonly referred to as piggybacking, provided certain prerequisites are met. Furthermore, when goods or services are delivered to a district, receiving or packaging slips should be verified by district personnel against the quantity, type and condition of the goods received. Amounts received should also be compared to amounts ordered, as described on the purchase requisition or purchase order. More details on the criteria used in this report, as well as resources we make available to district officials that can help officials improve operations (Figure 5), are included in Appendix A.

Finding 1 – District officials did not always provide adequate oversight for awarded time and materials contracts.

We reviewed the District's cash disbursement data and inquired with the purchasing clerk to determine which vendors received payments related to time and materials contracts. We identified 32 vendors who were paid a total of \$3.8 million related to 34 contracts during the audit period. We selected a sample of 16 vendors (50 percent) with 18 contracts, who were paid \$2.9 million and requested documentation to support how the District procured these 18 contracts (Figure 1).

Figure 1: Time and Materials Services for Selected Vendors^a

Service Provided	Method of Procurement	Total Vendors	Total Contracts	Total Paid for Service
Construction^b	Bids and State OGS Contract	8	8	\$2,488,310
Trash Removal	Bid	1	1	101,162
Landscaping	Bid	2	2	81,617
HVAC	Piggybacking Pursuant to GML Section 103(16)	1	3	77,646
Elevator Maintenance	Piggybacking Pursuant to GML Section 103(16)	1	1	57,052
Locksmith	Bid	1	1	46,024
Electrical Services	Bid	1	1	42,654
Plumbing	Bid	1	1	14,222
Total		16	18	\$2,908,687

a) We note that subsequent to the award of the construction contracts discussed in this report, a State supreme court decision has held that the use of the piggybacking exception set forth in GML Section 103(16) is not available for public works, public works contracts and public works projects. See, *Matter of Daniel J. Lynch v Board of Education of the Maine-Endwell Central School District*, 2025 NY Misc. LEXIS 711 (Broome Co. Sup. Ct. 2025).

b) Construction services include general construction, mechanical construction, paving, masonry, flooring and roofing services.

We determined that District officials generally procured these 18 contracts, from the 16 vendors, in a cost-efficient manner using competitive bids, piggybacking on State contracts or piggybacking on another governmental contract as permitted by GML Section 103(16).¹

While District officials generally procured time and materials contracts properly, they did not regularly review and compare supporting documentation with vendor contracts to confirm that the goods and services billed and paid for were accurate and complied with the bid specifications or applicable terms of the contract. We reviewed 72 payments totaling \$2.1 million made to the 32 vendors with time and materials contracts to determine whether District officials ensured vendors complied with the contract terms. We determined that District officials paid three vendors for goods and services that did not adhere to certain terms of the contract. Specifically, all three vendors overcharged the District for labor rates totaling \$54,238. We also determined that one of these vendors, pursuant to the terms of the HVAC contract, overcharged for materials totaling \$715, and one of these vendors, pursuant to the terms of the landscaping contract, overcharged for equipment rental rates totaling \$62 (Figure 2).

Figure 2: Vendor Overpayments

Type of Service	Method of Procurement	Labor Overpayments	Materials Overpayments	Equipment Rental Overpayments	Total Overpayments
Hazardous Materials Abatement	Piggybacking pursuant to GML Section 103(16)	\$32,800	-	-	\$32,800
HVAC	Piggybacking pursuant to GML Section 103(16)	20,325	\$715	-	21,040
Landscaping	Bid	1,113	-	\$62	1,175
Total		\$54,238	\$715	\$62	\$55,015

Hazardous Materials Abatement – The District contracted with one vendor, using the piggybacking exception set forth in GML Section 103(16), for work related to the removal of hazardous materials in District buildings. According to the terms of the contract, the District agreed to pay the vendor an hourly rate of \$125 for the supervisor of the project and \$150 for the other workers/handlers on the hazardous material removal project. Each claim submitted to the District included certified payrolls that indicated the hours worked and classification for the work performed (i.e., was the work performed by the supervisor or workers/handlers).

¹ The New York State Office of the State Comptroller (OSC) has published a bulletin to assist officials with addressing the prerequisites to use the exception set forth in GML Section 103(16) (<https://www.osc.state.ny.us/localgov/pubs/piggybackinglaw.pdf>). Note that for the purposes of this report, we did not review whether the District verified, in consultation with legal counsel, that each of the three prerequisites were met before awarding contracts using this exception to competitive bidding.

We reviewed all five payments totaling \$343,233 made to this vendor by the District for the work relating to the removal of the hazardous materials, and compared the amounts billed to the District by the vendor with the supporting certified payroll sheets provided by the vendor. We determined that the amount billed by the vendor did not match the certified payroll for three of the five payments. Specifically, the vendor billed the District for a total of 1,747 labor hours, but the certified payroll indicated that the vendor provided 1,555 hours of labor. Based on the certified payroll documentation, the District overpaid the vendor a total of \$32,800 for 192 labor hours.

The Director of Facilities (Director) said that the secretary for the Facilities Department, who reviewed the invoices submitted by the vendor, was new to the job and not aware that she should check the math to ensure that the amounts billed on the invoices are consistent with the terms of the contract.

HVAC – The District, using the piggybacking exception set forth in GML Section 103(16), entered into separate contracts with a vendor for three different HVAC services:

- Routine HVAC services,
- Emergency call-outs, and
- Annual inspections, service and repair (annual inspection).

Each of the three contracts included an allowable mark-up percentage for materials and the labor rate for the service associated with the contract (Figure 3).

Figure 3: HVAC Contract Terms

Contract Services	Material Markup Percentage		Labor Rate	
	2022-23 Fiscal Year	2023-24 Fiscal Year	2022-23 Fiscal Year	2023-24 Fiscal Year
Routine HVAC Services	2 percent	2 percent	\$75	\$80
Emergency Call-out	2 percent	2 percent	\$75	\$80
Annual Inspection	10 percent	10 percent	\$150	\$150

We reviewed all 11 payments related to 43 invoices totaling \$77,646 made by the District to this vendor and determined that the District overpaid the vendor by \$21,040 for five of these payments. For example, on 26 of the 43 invoices (61 percent), the vendor charged the labor rate and material markup percentage that was associated with the annual inspection contract, when supporting documentation for the services provided indicated that the vendor should have charged the District using the routine HVAC services or emergency call-out contracts.

The Treasurer told us the repairs and services may have been identified during the annual inspection and the District paid the vendor accordingly. However, based on the supporting documents, these repairs were not completed within the time period required under the annual inspection contract, which required that the repairs be completed in the summer months before school opened. In addition, based on the description of the work included on the invoices, the services were initiated when District officials contacted the vendor, such as the boiler room being flooded due to a broken pipe or the hot water

boiler not working. Our review of the supporting documentation provided by District officials indicated that the repairs should have been billed at the lower rates included in the routine HVAC services or emergency call-out contracts.

The vendor also did not provide supporting documentation to District officials for the materials purchased by the vendor to complete work as set forth by the terms of the contracts. We reviewed all invoices for the vendor and determined that District officials did not ensure that the vendor provided supporting documentation to the District for \$12,328 of the \$28,311 total materials purchased by the vendor. Additionally, materials totaling \$1,312 were marked as “truck stock” items and did not have documentation to support the purchases. District policy requires the claims auditor to certify that each claim is audited before payment by the Treasurer. Although the claims auditor was responsible for substantiating each claim with a receipt, the claim was approved and paid without adequate supporting documentation.

Landscaping – Pursuant to a competitive bid, the District awarded a District-wide tree services contract to a vendor, which included cutting down and trimming trees on District properties for the 2022-23 fiscal year. According to the contract, the District would pay the vendor an hourly rate, ranging from \$32 to \$52, depending on the type of work performed. For example, the contract provided different hourly rates depending on the worker’s title (e.g., foreman, bucket truck operator, climber or tree trimmer). In addition, the contract included hourly rates for equipment rentals, such as a woodchipper or stump grinder.

The District made three payments to the vendor totaling \$34,453 during our audit period. We reviewed one of these payments totaling \$14,535 that included six invoices for tree cutting. We determined that the hourly rates claimed by the vendor exceeded the hourly rates set forth in the contract. For example, the vendor charged the District an hourly rate of \$55.17 for work performed by a foreman. However, the hourly rate set forth by the terms of the contract for a foreman was \$52 per hour. Based on our review of the contract terms, the vendor overcharged the District a total of \$1,175 for the payment reviewed.

Because District officials did not ensure the prices for goods and services received matched the agreed upon prices for goods and services ordered, in some circumstances, the District was overbilled at least \$55,015 for goods and services purchased and the overpayments were not detected and corrected. In addition, when proper documentation is not provided with each claim, there is an increased risk that a claim may not be a proper District expenditure. Furthermore, when officials do not ensure payments are in accordance with contract terms, there is an increased risk that the District may pay more than necessary for goods and services.

Recommendations

1. District officials should properly monitor awarded contracts to help ensure all charges are accurate, supported and in accordance with the contracts.
2. The Board should ensure that the claims auditor performs a thorough review of all claims prior to approving the claim for payment.

Appendix A: Profile, Criteria and Resources

Profile

The District's boundaries include the Town of Greenburgh in Westchester County and is governed by the Board which is composed of seven elected members. The Board is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools is the chief executive officer and is responsible, along with other administrative staff, for the day-to-day management of the District under the Board's direction.

Criteria – Procurement

The Board designated a purchasing agent to be responsible for overseeing the District's purchasing function. The Director was responsible for supervising small construction projects (i.e., construction projects that did not involve supervision of a project engineer or architect) performed for the District, as well as helping ensure that the quality of work performed on the projects was sufficient. The Director was also responsible for approving invoices associated with these small construction projects.

GML generally requires competitive bidding for purchase contracts in excess of \$20,000 and contracts for public work in excess of \$35,000. However, GML does set forth certain exceptions to the competitive bidding requirements. For example, a district is authorized, pursuant to GML Section 104, to make purchases from State contracts awarded by OGS, provided that the contract has been extended for use to local governments and districts. Another exception allows districts to procure certain goods and services through the use of other governmental contracts. For the exception to apply, certain prerequisites must be met, including the contract must have been:

- Let by the United States or any agency thereof, any state, or any other political subdivision or district therein;
- Made available for use by the other governmental entity; and
- Let to the lowest responsible bidder or on the basis of best value as defined in Section 163 of the New York State Finance Law.

Goods and services not required to be competitively bid pursuant to GML must still be procured in a manner to ensure the prudent and economical use of public funds in the taxpayers' best interest and to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost or best value basis. As such, GML Section 104-b requires a board to adopt written policies and procedures governing the procurement of goods and services that are not required by law to be competitively bid.

The District’s procurement policy requires, in part, that officials seek competitive pricing for public work contracts as noted in Figure 4.

Figure 4: Procurement Policy Requirements

Type of Contract	Dollar Range	Types of Required Competition
Public Works Contracts	Less than \$700	No quotes required
	\$701 - \$6,000	Three verbal quotes, with documentation maintained
	\$6,001 - \$34,999	Three formal written proposals
	\$35,000 and above	Formal bids

When goods are delivered, receiving or packaging slips should be verified against the quantity, type and condition of the goods received. Amounts received should also be compared to amounts ordered, as described on the purchase requisition or purchase order. Verified receiving slips should be forwarded to the person responsible for preparing the claim voucher. Similarly, when services are provided, District officials should verify that services were rendered by comparing certified payroll documentation to the vendor invoice.

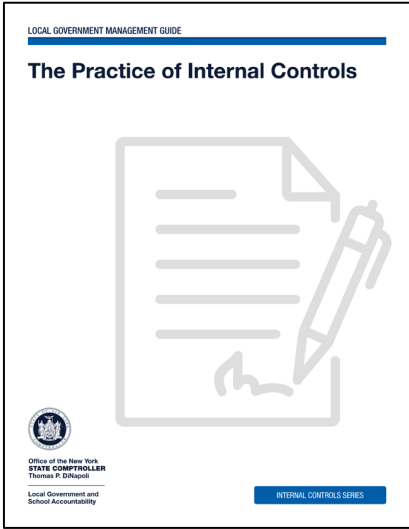
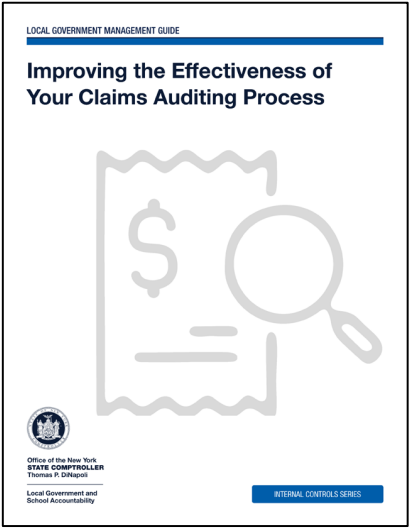
Each department that ordered goods or services should assemble a voucher or claim package containing the verified receiving slip or certified payroll documentation, approved purchase order (if applicable), original invoice and certification or signed approval of the department head stating that the goods or services were received and they are a true and just charge. All voucher packages should be forwarded to the claims auditing body or official, or other appropriate officer, as provided by law.

In addition, District policy requires the claims auditor to certify that each claim is audited before payment by the Treasurer. As part of the claims auditing process, the claims auditor should determine that the proposed payments are for a valid and legal purpose, the obligation was incurred by an authorized District official, and that the submitted voucher is in proper form, mathematically correct, does not include previously paid charges, and agrees with the purchase order or contract upon which it is based.

Additional Procurement Resources

Figure 5: OSC Publications

OSC *Local Government Management Guides* available on our website to help officials understand and perform their responsibilities

<i>The Practice of Internal Controls</i>	<i>Improving the Effectiveness of Your Claims Auditing Process</i>	<i>Seeking Competition in Procurement</i>
		
https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/improving-the-effectiveness-of-claims-auditing-process.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/seeking-competition-in-procurement.pdf

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

Appendix B: Response From District Officials



**Greenburgh Central
School District**
Our Children. Our Focus. Our Future.



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Superintendent of Schools

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October 1, 2025

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Office of the State Comptroller
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To Whom It May Concern:

The Greenburgh Central School District is in receipt of the Procurement Audit for the period of July 1, 2022 – August 31, 2023. This document serves as the District's formal response to the audit findings.

On behalf of the Board of Education and the District's administration, we extend our thanks to the local field agents for their recommendations. We appreciate the guidance to identify and correct areas requiring improved focus in our procurement processes. The District assures the community and the Office of the State Comptroller (OSC) that we take fiscal accountability and the safeguarding of public funds with the utmost seriousness.

Below are the recommendations for improvement identified in your audit report, along with the District's Initial response to each of those recommendations. The District will consider additional process improvements before we submit our corrective action plan after the final audit report is issued.

Audit Recommendation 1: Contract Monitoring and Payment Accuracy

Recommendation: District officials should properly monitor awarded contracts to help ensure all charges are accurate, supported, and in accordance with the contracts.

District Response:

The District is implementing an immediate, enhanced contract monitoring and invoice review process to address this finding.

- The Facilities Department Secretary and Director of Facilities will compare each invoice with the staffing prevailing wage spreadsheet, focusing on number of hours, type of staff, and contracted wage. All invoices will be compared to vendor contracts and must be itemized.

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- The Senior Accounts Payable Clerk will carefully review all invoices, matching them against the corresponding contracts and supporting documentation for accuracy and contract compliance *prior* to any payments being entered into the system for vendors.
- The Assistant Superintendent for Business and the Purchasing Clerk will conduct a thorough review of all awarded contracts to ensure complete understanding of terms and obligations.

This enhanced process is effective immediately, October 1, 2025.

Audit Recommendation 2: Claims Auditor Review

Recommendation: The Board should ensure that the claims auditor performs a thorough review of all claims prior to approving the claim for payment.

District Response:

The District is reinforcing the claims auditing process to eliminate future errors.

- The Assistant Superintendent for Business will meet with the claims auditor group to comprehensively review the existing auditing process for each payment.
- The review will focus on identifying potential improvements to strengthen the process and ensure a thorough review of all claims prior to approval for payment.
- The claims auditor will continue to provide a detailed report of their monthly findings to the Board of Education.

This change is effective immediately, October 1, 2025.

In partnership and purpose,

Dr. Lorenda Chisolm
Superintendent of Schools

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Appendix C: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We reviewed Board minutes and evaluated Board-approved policies in place for the procurement function and interviewed District officials, Board members and employees to gain an understanding of the controls over time and materials contract services, including the bid process and oversight of the awarded contracts.
- We obtained a vendor history report and a list of vendors that provided time and materials services during the audit period and inquired with the purchasing clerk regarding the method used to select each vendor. We used our professional judgment to select 13 of the 32 vendors identified by choosing all nine vendors procured through District bids and all four vendors procured for the District's active capital projects. We selected three additional vendors using a random number generator to bring the total sample to 16 vendors, which represented 50 percent of the total vendors. We then requested the related bid/contract information and reviewed bid specifications to determine whether the information was sufficient to promote competition amongst prospective bidders and whether the District sought competition when awarding time and materials contracts to vendors.
- We requested insurance information for all 16 vendors in our sample to determine whether the District ensured evidence of insurance was provided.
- We used our professional judgment to select 60 payments totaling \$1.9 million of the 226 payments totaling \$3.8 million made to all 32 vendors who provided time and materials contracts during the audit period. Our sample included payments to all 32 vendors. Specifically, we selected all payments to the seven vendors that received one payment, the highest three payments from each of the three vendors who received the highest number of payments, and the highest two payments from each of the remaining 22 vendors. We reviewed the selected payments and evaluated them to determine whether the payments were for a valid purpose, accurate, properly supported and authorized. Based on the results of our initial testing, we expanded our sample to include 12 additional payments totaling \$207,083 made to two vendors.
- We made inquiries of all seven Board members and three District officials involved in the procurement process to identify their outside employment, interest in any entities as well as the employment and interest in entities of their spouses (if any). We used this information to determine whether there were any conflicts within the scope of our audit objective.
- We reviewed change orders to confirm any price increases in purchase orders were accurate.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

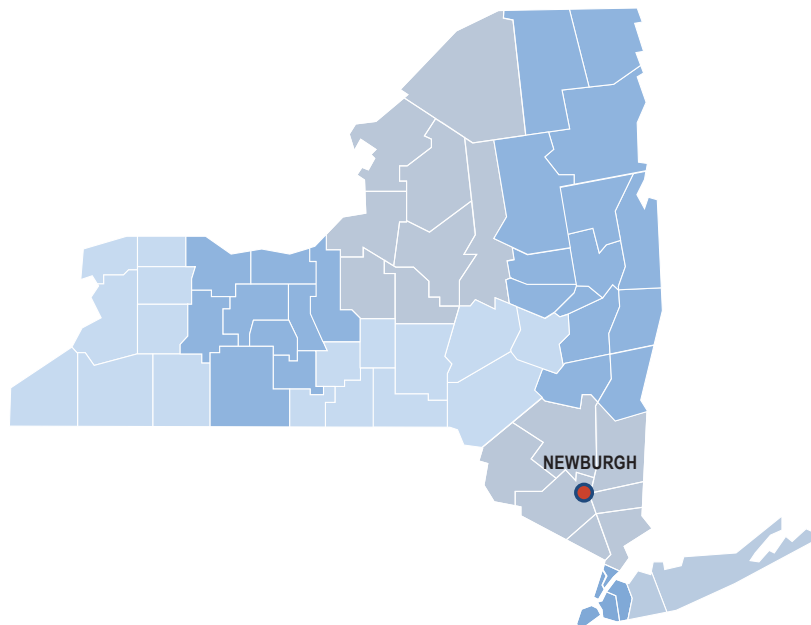
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