

New York State Comptroller
THOMAS P. DiNAPOLI

Village of Elmsford

Employee Benefits

October 2026 | 2026M-52

Prepared by the Division of Local Government and School Accountability

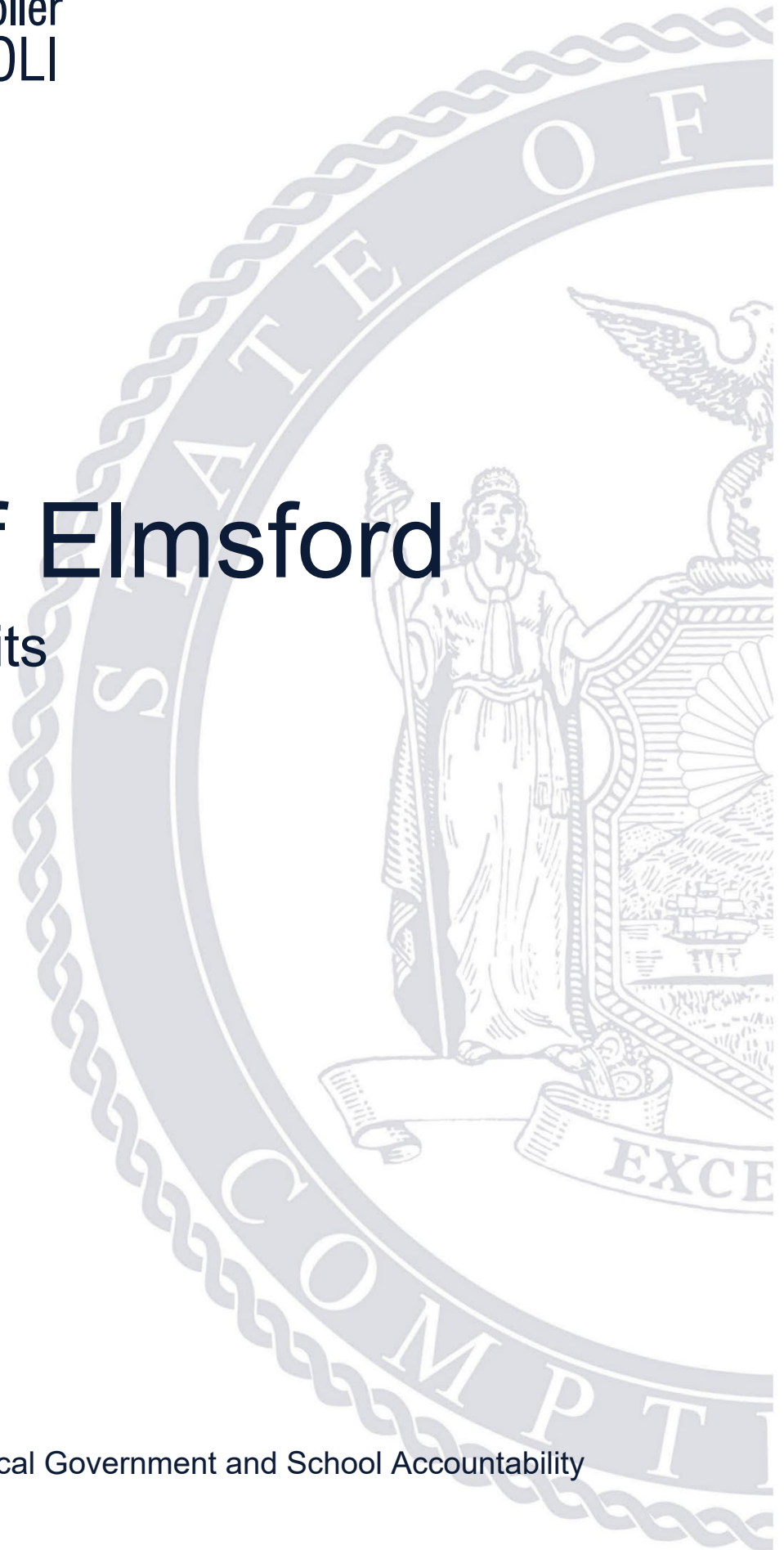


Table of Contents

Audit Results	1
Employee Benefits: Findings and Recommendations	3
Finding 1 – Leave accruals were not properly monitored.	3
Recommendations	4
Finding 2 – Payments for unused leave accruals were not accurate, properly reviewed or authorized.	4
Recommendations	5
Appendix A: Profile, Criteria and Resources	6
Profile	6
Criteria	6
Additional Resources	7
Appendix B: Response From Village Officials	8
Appendix C: Audit Methodology and Standards	11

Audit Results

Village of Elmsford

Audit Objective

Did Village of Elmsford (Village) officials ensure employees' leave accruals and payments of unused leave accruals were accurate, approved and supported?

Audit Period

January 1, 2022 – September 30, 2024

Understanding the Audit Area

Village officials are responsible for ensuring employees' leave accruals are accurately maintained and that payments for unused leave are properly calculated, authorized and supported. Effective oversight helps ensure employees receive only the compensation to which they are entitled, safeguards public resources, maintains accurate accounting records and financial reporting, ensures compliance with applicable laws, collective bargaining agreements and Village policies, and promotes accountability, transparency and public trust.

During the audit period, Village officials made unused leave payments totaling almost \$1.1 million.

Audit Summary

Village officials did not ensure employees' leave accruals and payments of unused leave accruals were accurate, approved and supported. Failing to ensure that employees' leave accruals and payments are accurate, approved and supported resulted in employees being compensated for or taking leave to which they were not entitled and creates the potential for future errors. As a result, the Village incurred unnecessary salary-related expenditures.

Employees used leave accruals and received payments for unused leave accruals to which they were not entitled. Specifically, Village officials:

- Approved 11 buyouts for unused vacation and personal leave accruals totaling \$38,070. However, the Village Hall's employee handbook, which covers Village Hall employees, does not include a provision for the buyout of unused vacation or personal leave accruals for employees.
- Approved employee leave requests without ensuring employees had sufficient leave accrual balances in 26 instances totaling 311 hours of unavailable leave valued at \$11,659.
- Made nine payments for unused vacation and personal leave accruals that were inaccurate, with overpayments totaling \$8,054.

The report includes seven recommendations that, if implemented, will improve the Village's leave accrual administration, improve the accuracy and oversight of leave usage and payouts, and help ensure leave benefits are administered in accordance with applicable collective bargaining agreements (CBAs), employment contracts and Village policies. Village officials generally agreed with our findings and indicated they plan to initiate 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 Village Board (Board) has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of the New York State General Municipal Law. 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. We encourage the Board to make the CAP available for public review in the Village Clerk's office.

Employee Benefits: Findings and Recommendations

Employee leave accruals should be earned in accordance with applicable CBAs or, if the employee is not covered by a CBA, pursuant to the Village Hall's employee handbook or an individual employment agreement. When an employee wishes to use leave accruals, they should complete a leave request form in advance to formally document the leave request. The employee's supervisor and payroll personnel should also review the employee's leave accrual balances before granting the employee's leave request to help ensure that the employee has accumulated sufficient accrual balances.

To help ensure employee time records are accurate, the employee's time sheets and leave request forms should also be reviewed by the individual responsible for inputting the employee's time reporting information into the payroll software. If the employee is eligible to receive a payment for unused leave accruals, the payment should be made in accordance with applicable CBAs, the Village Hall's employee handbook or an individual employment agreement.

More details on the criteria, as well as resources OSC makes available to local officials that can help officials improve operations, are included in Appendix A.

Finding 1 – Leave accruals were not properly monitored.

We selected 21 employees' leave records for the audit period from three departments: 11 Village Hall employees, five Department of Public Works (DPW) employees and five Police Department employees. We reviewed the accrued leave (i.e., vacation, personal, sick, etc.) and leave charges during the audit period for each employee and determined the following:

Leave Accruals – We reviewed a total of 678 instances where the 21 employees received some type of leave accrual. However, due to poor recordkeeping practices, we could not determine whether certain leave received by the employees was properly accrued in 366 instances (54 percent). This occurred because the Village Treasurer, who was responsible for monitoring Village Hall employee leave accrual balances, had not established a formal process to track Village Hall employees' leave accrual balances. Instead, the Village Treasurer provided us with an informal leave accrual tracking spreadsheet, which was incomplete and not used for all Village Hall employees to document their leave accrual balances.

The Village Administrator and Treasurer told us that they intend, in the future, to use the Village's payroll software to record leave accrual balances and leave charges for Village employee leave accrual and use records. The payroll software was not used in the past to track employee leave balances because they were unable to determine the starting leave balances for current employees. Therefore, if Village officials, such as the Village Administrator and Treasurer, do not know current employees' leave balances, they cannot determine whether an employee has sufficient leave credits to cover an absence, or whether the employee is entitled to a requested leave payment.

Leave Charges – We reviewed 513 leave charges for the 21 employees and could not determine, due to the informal leave request process used by the Village, whether the leave request was properly approved in 400 instances (78 percent). We requested and reviewed leave request documentation (i.e., an originating request for leave, such as a leave request form, or an email leave request submitted by an employee) for a sample of 28 employee leave requests and determined that nine leave requests (32 percent) were not formally submitted. For example, a court clerk did not submit a formal leave request for approval before charging one sick day, one personal day and one vacation day during the audit period.

Furthermore, we identified 26 instances in which employees were granted leave despite having insufficient leave balances, totaling 311 hours, valued at \$11,659. These instances occurred primarily with Village Hall employees because no formal tracking system was put in place documenting leave accrual balances for the employees. For example, we determined that an assistant court clerk charged 70 hours of sick leave and seven hours of personal leave worth \$2,400 despite having insufficient sick and personal leave accrual balances.

Department heads did not formally track employee accrual balances. Instead, Village officials relied on employees to track their own balances or use informal spreadsheets for tracking the balances. The Mayor indicated that Village Hall employees were responsible for ensuring that they had sufficient leave balances available before taking leave. When the individuals responsible for approving leave requests rely on the employee to track their own accrual balances, the approver lacks assurance that the employee has sufficient accruals before approving the leave request. Furthermore, if the Mayor requested employee accrual balances and reviewed them before certifying payroll, errors and the overuse of leave accruals may have been detected.

Failing to adopt Village-wide accrual tracking procedures creates the opportunity for employees to be compensated for or use leave when accruals are exhausted or otherwise unavailable. Compensating employees for accruals they are not entitled to can result in time abuse and has a negative financial impact on taxpayer-funded Village operations.

Recommendations

The Village Administrator should:

1. Develop and implement procedures to accurately maintain and track employee leave accrual balances.

Department heads should:

2. Develop written procedures requiring employee leave requests to be submitted and approved by supervisors in advance, when practicable, and adequately documented.
3. Review employee leave accrual balances before approving leave requests to ensure employees have sufficient accrued leave available.

The Mayor should:

4. Review employee leave accrual balances before certifying payroll to help ensure leave used is properly supported and accurately recorded.

Finding 2 – Payments for unused leave accruals were not accurate, properly reviewed or authorized.

Subject to certain restrictions, the language set forth in CBAs for authorized Village employees allows them to request cash payments (i.e., “buyouts”) of earned and unused leave accruals during employment. Furthermore, the Village entered into an individual employment agreement with similar language for the Village Administrator. During the audit period, the Village made 177 payments, totaling \$736,328, to 42 employees who requested a buyout. We reviewed a sample of 52 buyouts, totaling \$98,847, for 11 Village Hall employees, five DPW employees and five Police Department employees. As part of our review, we recalculated the

buyouts of unused personal and vacation leave accruals and identified nine instances where the Village paid individuals \$8,054 for buyouts, despite the individuals not having sufficient accruals available. For example:

- The Village Administrator received \$2,564 for a buyout for 28 hours of unused vacation leave without sufficient accruals available or documentation to support the payment.
- A DPW employee received \$549 for a buyout for 16 hours of unused vacation leave without sufficient accruals available.

The Village Administrator indicated that leave coding errors may have contributed to the buyouts of unused leave accruals with insufficient balances. He believed buyouts may have been miscoded in the payroll software when being processed (i.e., a buyout coded as personal leave was a sick leave buyout). However, he could not provide documentation to support that statement. In addition, there was no provision in the Village Hall's Employee Handbook or the CBAs allowing for buyouts of unused sick leave. Furthermore, a proper supervisory review of all payroll payments, including payments of unused leave, could have increased the likelihood of detecting these coding errors and allowed for corrections in the payroll software.

Furthermore, we identified instances in which employees received buyouts of unused leave accruals to which they were not entitled. Specifically, the Village Hall's employee handbook, which covers the Village Hall employees, does not include a provision for the buyout of unused vacation or personal leave accruals for employees. However, we identified four active Village Hall employees who received seven buyouts for 355 hours of unused vacation leave accruals totaling \$30,923 during the audit period. Three of the four Village Hall employees also received four buyouts for 87.5 hours of unused personal leave accruals totaling \$7,147 during the audit period.

Employees received buyouts of unused leave accruals to which they were not entitled due to an inadequate review of the buyout requests by the Village Administrator prior to approval. In addition, the Mayor did not review accrual records when certifying payroll. Failing to verify employee accrual balances before making payments for buyouts of unused employee leave accruals can result in Village employees receiving compensation to which they are not entitled.

Recommendations

5. The Board and Village Administrator should designate an individual within each department, who is independent of maintaining leave accrual records, to periodically review leave accrual records and balances for accuracy.
6. The Treasurer should review all requests for payments of unused accruals before payment to ensure the employee is eligible, has sufficient accrued leave balances and that the leave records are updated to reflect the payment.
7. The Board and Village Administrator should, in consultation with legal counsel, review the payments identified in this report and determine the appropriate course of action, if any, to address payments that were inconsistent with the Village's CBAs, employment contracts or Village policies.

Appendix A: Profile, Criteria and Resources

Profile

The Village is located in the Town of Greenburgh in Westchester County and has a population of approximately 5,100. The Village is governed by a five-member Board of Trustees (Board) consisting of the Mayor, Deputy Mayor and three Trustees. The Board hired a full-time Village Administrator who manages the Village's day-to-day activities and reports to the Board. The Treasurer, along with the Deputy Treasurer, are responsible for submitting the Village's biweekly payroll to a third-party payroll processing vendor. The Village paid 72 employees during the audit period.

Criteria

Village employees earn and use leave accruals, and are paid out for unused leave accruals, in accordance with CBAs, individual employee agreements and the Village Hall's employee handbook. Below is a general overview of such benefits and is for informational purposes only:

Unused Vacation Leave Balances:

- Employees who are covered by the Village Hall's employee handbook are not permitted to receive a buyout for earned but unused vacation time as active employees.
- Active employees covered by the DPW CBA with earned but unused vacation time and have at least one year of service are entitled to a buyout of a minimum of five days and a maximum of 10 days.
- Active employees covered under the Elmsford Police Association CBA are entitled to a buyout of a maximum of five days of earned but unused vacation time per year.
- The Village Administrator, based on his individual employee agreement, is permitted to receive a buyout for up to two weeks of earned but unused vacation time per year, with a buyout of up to an additional two weeks with approval.

Unused Personal Leave Balances:

- Employees who are covered by the Village Hall's employee handbook are not entitled to a buyout of earned but unused personal time.
- Employees who are covered by the DPW CBA are entitled to a buyout for earned but unused personal time each year as active employees.
- Employees covered under the Elmsford Police Association CBA and the Village administrator are entitled to receive a buyout of earned but unused personal time at year-end.

Unused Sick Leave Balances as Active Employees:

- Employees covered under the Village Hall's employee handbook, DPW CBA, Elmsford Police Association CBA and Village Administrator's individual employee agreement are not permitted to receive payments for earned but unused sick leave as active employees.

An employee's supervisor or payroll personnel should review the employee's leave accrual balances before granting an employee's leave request to ensure the employee possesses sufficient accrual balances. Time sheets and timecards should be reviewed and approved by supervisory personnel who have direct contact with the employee. Leave request forms should be completed to document advance requests to use accrued leave credits and to document absences covered by the use of leave credits. A comparison of time worked and leave taken between employee timesheets and leave requests should be performed by the individual responsible for

inputting employee time into the payroll software. Employee accruals should be earned in accordance with applicable CBAs or the Village Hall's employee handbook. Similarly, payouts of unused leave accruals should be made in accordance with applicable CBAs or the Village Hall's employee handbook.

Leave accrual records should be maintained and leave balances should be communicated to employees regularly to ensure leave records are accurate and that employees only receive payments for leave time to which they are entitled. Before payroll checks are distributed, payroll registers or similar records should be certified by the officer or employee having direct supervision over specific departments or individual employees.

Additional Resources

OSC's *Local Government Management Guides*, and other informational resources that are available on OSC's website to help officials understand and perform their responsibilities, include:

- **The Practice of Internal Controls:** <https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf>

In addition, local officials can use OSC's website to search for audits, resources, publications and training for officials at: <https://www.osc.ny.gov/local-government>

Appendix B: Response From Village Officials

The content below is a reproduced copy of the original response letter issued by Village officials, is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,¹ and may have included changes to spelling and grammar. The substance of the content was not changed.

Village officials included their lengthy corrective action plan as a part of their response. Because their response is sufficient to indicate their intentions, we did not include the corrective action plan as a part of the final report.

August 21, 2026

Office of the New York State Comptroller
Division of Local Government and School
Accountability Newburgh Regional Office
33 Airport Center Drive, Suite
102 New Windsor, New York
12553

Re: Village of Elmsford - Employee Benefits Audit, Report #2026M-52

Dear Mr. Latainer:

On behalf of the Village of Elmsford Board of Trustees, I would like to thank the Office of the New York State Comptroller and its audit staff for their professionalism and diligence in conducting the Village's Employee Benefits audit.

The Village recognizes the importance of ensuring that employee leave accruals, leave usage, buyouts, and other employee benefit payments are accurately maintained, properly authorized, adequately documented, and administered in accordance with applicable collective bargaining agreements, employment agreements, and Village policies. We appreciate the opportunity the audit has provided to evaluate our historical practices and further strengthen our internal control environment.

It is important to recognize the period examined by this audit, January 1, 2022 through September 30, 2024, as well as the substantial organizational and operational changes that have occurred since that period. The Village has experienced significant administrative transition, including changes in the positions or processes of the Village Board, the Village Administrator, Village Treasurer, Deputy Village Treasurer, and Village Clerk. The current administration has used this transition as an opportunity not simply to address individual audit observations, but to undertake a broader review and modernization of the Village's administrative, personnel, financial management, and transparency practices.

At the same time, the Village recognizes that the audit identified opportunities to strengthen the manner in which leave balances, leave requests, approvals, and payments are documented and independently reviewed. In particular, historical reliance on manual records, informal spreadsheets, and decentralized administrative practices did not provide the level of consistency, documentation, and

¹ <https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule>

management oversight necessary to demonstrate compliance and that the Village expects today. Significant corrective measures have already been implemented or are underway.

The Village also recognizes that, in certain instances, the Comptroller's Office was not provided with contemporaneous documentation demonstrating the approval of leave carryovers or the addition of vacation and other leave accruals to employee balances. This distinction is particularly relevant because not all Village employees operate on the same leave cycle. Certain employees receive annual leave credits based upon the Village's fiscal year, with leave credited on June 1 rather than on a calendar-year basis beginning January 1.

Historically, certain carryovers and annual accrual adjustments may have been administered internally without the formal written documentation or centralized records that would be expected under the Village's current practices.

The Village understands that, in the absence of documentation substantiating those accruals or carryovers, the Comptroller's Office treated certain leave balances as unavailable or unearned for purposes of its audit calculations. It is possible that, in some instances, employees had earned or had been authorized to carry leave that was not adequately reflected in the records available for audit. Accordingly, the Village recognizes both the importance of accurate leave calculations and the equally important need to maintain contemporaneous documentation supporting all accruals, carryovers, adjustments, approvals, and resulting leave balances.

The Village appreciates the Comptroller's Office's consideration of additional records and information provided during and following the audit process. Following review of additional supporting documentation, certain preliminary findings were revised and certain questioned transactions were determined to be permissible. The Village appreciates OSC's willingness to consider this additional information and revise its findings where the supporting records warranted doing so.

The Village has implemented **[redacted]** as its electronic time and attendance management system. This represents a significant transition from the manual and informal processes discussed in the audit. The system provides a more centralized mechanism for recording employee time, administering leave balances, documenting leave requests and approvals, and maintaining records that can be reviewed by supervisors and administrative personnel. Complete payroll reports with time and attendance are now provided to the Mayor prior to his authorization. The Village will continue refining the implementation of this system and the associated review procedures to ensure that the technology is supported by appropriate management controls.

The Village Board adopted a comprehensive Employee Handbook effective June 1, 2024, establishing written standards governing time records, attendance, vacation leave, sick leave, personal leave, supervisory approvals, and other personnel matters. The Village is again reviewing and updating the Handbook to further clarify applicable procedures and ensure consistency among Village policies, collective bargaining agreements, employment agreements, and current administrative practices.

The Village has also entered into updated collective bargaining agreements with its represented employees, including a successor agreement with CSEA covering June 1, 2025 through May 31, 2028, and a successor agreement with the Elmsford Police Association covering June 1, 2026 through May 31, 2029. These agreements provide additional written guidance concerning employee leave benefits and related compensation.

Beyond the specific subject of this audit, the Village has undertaken a broader strengthening of its financial governance framework. During 2026, the Board adopted a formal Fund Balance Policy, updated its Procurement Policy, and established and funded formal reserve funds to support long-term financial planning and responsible stewardship of Village resources. These initiatives reflect the Board's commitment to institutionalizing sound financial practices rather than relying upon informal or historical administrative practices.

The Village has also substantially expanded its commitment to government transparency. The Village website has been updated to make significantly more information readily available to residents and other interested parties. Village policies, budgets, audit information, financial policies, the Employee Handbook, and other important public documents are increasingly available online. A dedicated transparency component has been developed so that residents can more easily understand the policies and financial framework under which their Village government operates.

The Board believes that good internal controls require more than written policies. They require clearly assigned responsibilities, appropriate segregation of duties, reliable systems, supervisory review, documentation, training, and an organizational culture that values accountability. The Village's corrective actions therefore extend beyond simply revising individual policies. Our objective is to establish sustainable administrative processes that will remain effective as employees and officials change over time.

The Village's accompanying Corrective Action Plan addresses each remaining recommendation individually and identifies actions that have been completed, actions currently being implemented, and additional measures that will be undertaken. Where appropriate, the Village will continue to consult with its labor counsel, municipal counsel, department heads, payroll personnel, and other professional advisors to ensure that employee benefits are administered consistently with applicable collective bargaining agreements, employment agreements, Village policies, and law.

The Village of Elmsford Mayor and Village Board takes its responsibility for the stewardship of public resources seriously. We believe the changes already implemented demonstrate that commitment. We also recognize that effective municipal management requires continuous evaluation and improvement. The Board of Trustees, Mayor, Village Administrator, Treasurer, Deputy Treasurer, Clerk, department heads, and Village employees will continue working together to strengthen our internal controls and ensure that our policies and practices reflect the high standards of accountability expected by our residents.

We thank the Office of the State Comptroller for its review, its recommendations, and its consideration of the additional information supplied by the Village. We look forward to continuing the progress already underway and to implementing the remaining measures described in our Corrective Action Plan.

Sincerely,

Robert Williams, Mayor
Village of Elmsford

Appendix C: Audit Methodology and Standards

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

- We interviewed Village officials and reviewed the Village's policies and written procedures to gain an understanding of internal controls over the payroll process, including the accrual and use of leave time and the payment for unused leave time.
- We reviewed the CBAs, individual employee agreements and the Village Hall's employee handbook to determine the rates of employee leave accruals, allowable carryovers and conversions of unused leave accruals. We also reviewed allowable payments for buyouts of unused accruals for current employees and payments for unused leave accruals made to employees separating from Village service.
- We selected a sample of 21 Village employees from a total of 72 employees to review leave accruals and payments for unused leave. Due to a lack of timekeeping and leave time accrual internal controls within the Village Hall, we reviewed the leave accrual records for all 11 Village Hall employees. In addition, we selected five employees each from the DPW and Police Departments because of the decentralized timekeeping and leave accrual processes maintained within these two Departments. For each employee selected, we:
 - Reviewed and documented their leave accrual earnings, usage and balances according to time records and leave time requests, if applicable, and compared this information to the Village's payroll tracking software.
 - Calculated each employee's accrual balances throughout the audit period to determine whether employees had sufficient leave accrual balances when taking leave and whether payments for leave accruals were appropriate and accurate.
 - Reviewed leave requests, if applicable, to determine whether they were properly approved and supported.
- We used a random number generator to select a random sample of 28 instances of sick, personal and/or vacation leave taken by Village Hall employees from a total population of 254 instances of leave usage and requested leave time documentation to determine whether time requests were properly submitted. We reviewed documentation provided (i.e., email time requests) and determined whether the request was properly submitted in accordance with the requirements outlined in the Village Hall's employee handbook.
- For each employee selected for leave accrual testing, we determined whether the employee received a buyout of unused leave accruals, the employee's leave balances at time of the buyout, and recalculated the payment based on employee leave balances, pay rates, and allowable buyouts based on CBAs, individual employee agreements and the Village Hall's employee handbook.
- We identified all employees who separated from service during the audit period and received payments for unused leave accruals. For each employee, we determined their unused leave balances at time of separation, and recalculated separation payments based on employee leave balances, pay rates and allowable payments based on CBAs and/or the Village Hall's employee handbook. We identified minor discrepancies which were discussed with Village officials.

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

Questions?

NEWBURGH REGIONAL OFFICE

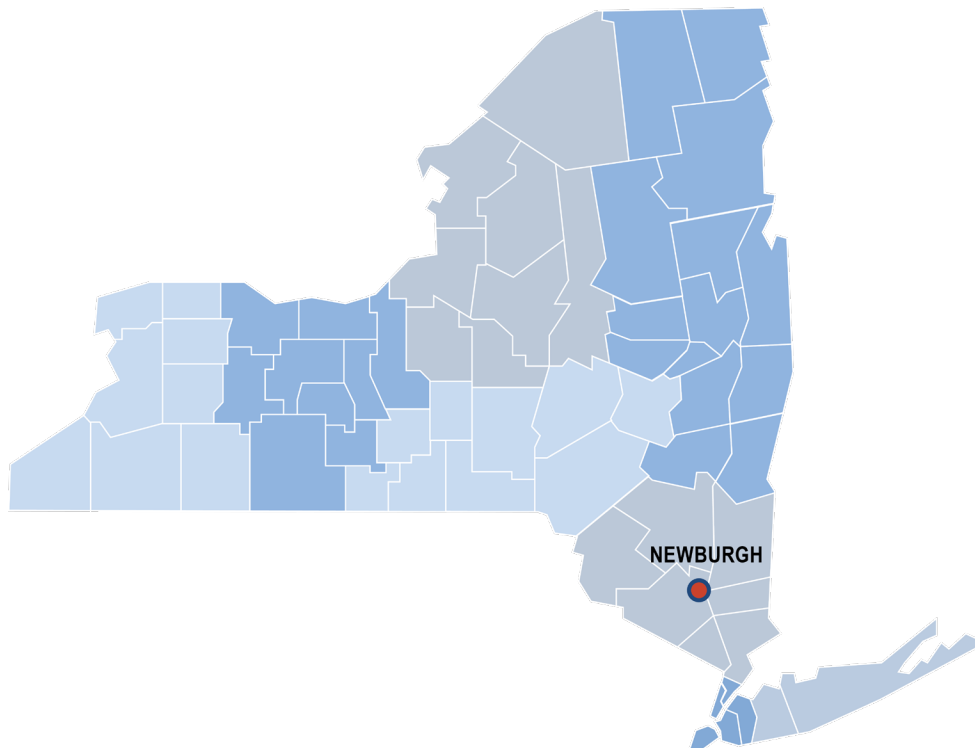
James L. Latainer, Chief of Municipal Audits

33 Airport Center Drive, Suite 102 • New Windsor, New York 12553-4725

Tel (845) 567-0858 • Fax (845) 567-0080

Email: Muni-Newburgh@osc.ny.gov

Serving: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester counties





Contact

Office of the New York State Comptroller
110 State Street
Albany, New York 12236

(518) 474-4044

<https://www.osc.ny.gov/>

Prepared by the Division of Local Government and School Accountability



FOLLOW US: [osc.ny.gov/subscribe](https://www.osc.ny.gov/subscribe)