



**THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234**

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**TO:** Superintendents of Public School Districts  
BOCES District Superintendents  
School District and BOCES State Aid Designees

**DATE:** September 22, 2016

**FROM:** Joshua Staples, State Aid Payment Unit

**SUBJECT:** Spreading Overpayment Deductions Over Three Years Pursuant to Education Law 3604(5)

Pursuant to Education Law 3604(5), a district or BOCES may request that overpayments be deducted over a three year period, and that such deduction be taken from the June payment due the district or BOCES beginning with the year in which they were first notified of the overpayment. To be eligible for an overpayment 'spread,' the total amount to be recovered must be in excess of one percent of the total general fund expenditures for the preceding school year. If this criterion is met, the unreserved fund balance and the amount due to other governments from the preceding school year's ST-3 or SA-111 are used in a calculation to determine the amount to be deducted in each of the three years.

To request that the overpayment be spread over three years, the district/BOCES should complete and submit the "Request for Extended Overpayment Recovery" form within 30 days of being notified of the overpayment to avoid the deduction of the full overpayment. However, for any overpayment notifications sent to the agency during the 2016-17 school year, the request form should be submitted no later than April 28, 2017 since the deduction will be taken from the June payment.

Questions regarding the overpayment spread criteria or the completion of the form may be directed to Joshua Staples at [Joshua.Staples@nysed.gov](mailto:Joshua.Staples@nysed.gov) or at (518) 474-2977.