

Bolus Mark J.  
Form 4  
January 26, 2012

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Bolus Mark J.

2. Issuer Name and Ticker or Trading Symbol  
COMMUNITY BANK SYSTEM INC [CBU]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
01/24/2012

Director  10% Owner  
 Officer (give title below)  Other (specify below)

R.R. #1, BOX 412A

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

DALTON, PA 18414

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Code V Amount Price			
Common Stock					50,660.4356 <sup>(1)</sup>	D	
Common Stock					5,353.655 <sup>(2)</sup>	I	By Mark Bolus Trust
Common Stock					164.3876 <sup>(3)</sup>	I	By daughter, Taylor Bolus
Common Stock					164.3876 <sup>(3)</sup>	I	By daughter,

Common Stock	164.3876 <sup>(3)</sup>	I	Paige Bolus By son, Austin Bolus
Common Stock	164.3876 <sup>(3)</sup>	I	By son, Noah Bolus

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
				Code V (A) (D)	Date Exercisable	Expiration Date	Title Amount Number Shares
Phantom Stock (Deferred Compensation)	<u>(4)</u>	01/24/2012		A	124.3339	<u>(4)</u> <u>(4)</u>	Common Stock 124

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

Bolus Mark J.  
R.R. #1, BOX 412A  
DALTON, PA 18414

X

## Signatures

/s/ Donna J. Drengel, pursuant to a Confirming Statement executed by Mark J. Bolus

01/26/2012

          \*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Includes 455.407 shares acquired on January 10, 2012 pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.

(2) Includes 47.944 shares acquired on January 10, 2012 pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.

(3) Includes 1.507 shares acquired on January 10, 2012 pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.

Each unit of phantom stock is the economic equivalent of one share of Community Bank System, Inc. common stock. The units of  
(4) phantom stock relating to the Deferred Compensation Plan will be settled in Community Bank System, Inc. common stock at future dates selected by the reporting person.

(5) Includes 16.7464 units of phantom stock acquired on January 10, 2012 under the Deferred Compensation Plan's dividend reinvestment feature.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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