

COMMUNITY BANK SYSTEM, INC.

Form 4

January 19, 2016

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

OMB  
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2005  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
DONAHUE BRIAN D

(Last) (First) (Middle)

C/O COMMUNITY BANK  
SYSTEM, INC., 5790  
WIDEWATERS PARKWAY

(Street)

DEWITT, NY 13214

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/14/2016

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

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)  
EVP & Chief Banking Officer

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

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

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired (A)<br>or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 01/14/2016                              |                                                             | A                                    | Amount<br>(1)<br>3,891.56                                               | (A)<br>or<br>(D)<br>A \$ 0                                                                                         | 37,650.56                                                               | D                                                                 |
| Common<br>Stock                       | 01/14/2016                              |                                                             | F                                    | Amount<br>(2)<br>1,567.56                                               | D \$<br>39.94                                                                                                      | 36,083                                                                  | D                                                                 |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                         | 7,075.5756<br>(3)                                                                                                  | I                                                                       | By 401(k)<br>Plan                                                 |

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

**Persons who respond to the collection of  
information contained in this form are not**

SEC 1474  
(9-02)

**required to respond unless the form displays a currently valid OMB control number.**

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

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and<br>Amount of<br>Underlying<br>Securities<br>(Instr. 3 and 4) | 8. Price of<br>Derivative<br>Security<br>(Instr. 5) | 9. Number<br>of<br>Derivative<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction<br>(Instr. 6) |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
|                                                     |                                                                    |                                         |                                                             | Code                                 | V (A) (D)                                                                                                          | Date<br>Exercisable                                            | Expiration<br>Date                                                        | Title                                               | Amount<br>or<br>Number<br>of<br>Shares                                                                                     |

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

DONAHUE BRIAN D  
C/O COMMUNITY BANK SYSTEM, INC.  
5790 WIDEWATERS PARKWAY  
DEWITT, NY 13214

EVP & Chief Banking Officer

## Signatures

/s/ Danielle M. Cima, pursuant to a Confirming Statement executed by Brian D.  
Donahue

01/19/2016

\_\_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) On January 14, 2016, the Compensation Committee approved the vesting of the three-year performance-based restricted stock award, granted to the reporting person in 2013, based on achievement of predetermined performance criteria at target level.
- (2) Payment of tax liability associated with the vesting of the three-year performance-based restricted stock award.
- (3) The number of shares reported herein were acquired pursuant to Community Bank System, Inc.'s 401(K) Plan and are based on a current plan statement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.