

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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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 Following 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 ⁽¹⁾	D	
Common Stock					5,353.655 ⁽²⁾	I	By Mark Bolus Trust
Common Stock					164.3876 ⁽³⁾	I	By daughter, Taylor Bolus
Common Stock					164.3876 ⁽³⁾	I	By daughter,

Common Stock			164.3876 ⁽³⁾	I	Paige Bolus By son, Austin Bolus
Common Stock			164.3876 ⁽³⁾	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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(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)	Amount of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	Num Shar
Phantom Stock (Deferred Compensation)	⁽⁴⁾	01/24/2012		A		⁽⁴⁾ ⁽⁴⁾	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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