



August 4th, 2022



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Important Dates & Information

Save the Date: 2022 "What's New in Municipal Law" Seminar

The Division of Local Services Legal Staff will offer its annual seminar "What's New in Municipal Law" for local officials on Thursday, October 6, 2022 at Lombardo's Meeting & Occasions in Randolph and Thursday, October 13, 2022 at the Log Cabin Banquet & Meeting House in Holyoke. The seminars will be held in person.

FY2023 Final Cherry Sheet Estimates

The FY2023 state budget was signed by Governor Baker this morning. For cities, towns and regional school districts the cherry sheet estimates based on the signed budget are consistent with the amounts from the conference committee report. DLS has posted final cherry sheet estimates on our website.

A Message from Community Compact Cabinet Chair Lt. Governor Polito on FY23 Community Compact Cabinet Programming

Dear Municipal Official:



With the Fall fast approaching and as we look toward the final months of our Administration, I would like to thank you for your partnership on behalf of our cities and towns, and for your enthusiastic contributions to and embrace of the Community Compact Cabinet (CCC). Our Administration's first Executive Order, the

CCC was established to elevate our Administration's partnerships with local officials, to champion municipal interests across Secretariats, and to develop mutual standards and best practices for both the state and municipalities. As Chair of the CCC, and with your support, we have accomplished a great deal – but there is still more to do! As Fiscal Year 2023 is now underway, and with thanks to our colleagues in the Legislature, I am pleased **to announce FY23 CCC programming.**

Since day one, it has been a top priority of our Administration to strengthen the partnership and communication between state and local officials. From Gateway Cities to rural and suburban communities, from the Berkshires to the Cape and Islands and everywhere in between, the CCC has been a trusted, well-used

Click [here](#) for Municipal Cherry Sheet Estimates or [here](#) for Regional Cherry Sheet Estimates.

If you have any questions about the preliminary estimates, please contact the Data Analytics and Resources Bureau at databank@dor.state.ma.us.

Annual End-of-Year Letters

The Division of Local Services has posted on its website the FY2022 Bureau of Accounts Annual End-of-Year Letters for:

- [accountants and auditors](#)
- [clerks](#)
- [treasurers](#)
- [collectors](#)
- [regional school business officials](#)

Register Now for Upcoming DLS Role of the Treasurer Webinar

On Wednesday, August 24th at 10am, DLS will host our latest municipal finance webinar. This training will provide an overview of the role and responsibilities of local treasurers. DLS staff will highlight the key duties of the treasurer, statutory requirements associated with the position, and highlight how other members of the local financial management team must work together with the treasurer while carrying out their own functions in order to ensure thorough management of municipal finances. DLS staff from the Financial Management Resource Bureau and Bureau of Accounts will be available to answer questions following the presentation.

To register, click [here](#). Please contact dlsregistration@dor.state.ma.us with any additional questions. We hope to see you then!

IGR Regarding the Borrowing Amount of an Approved Prop 2½ Debt Service Exclusion

The Division of Local Services (DLS) Municipal Finance Law Bureau (MFLB) has issued a new Informational Guidelines Release (IGR). IGR 2022-14 explains the policies of the Commissioner of Revenue regarding the borrowing amount covered by an approved Proposition 2½ debt service exclusion. It also includes new procedures and forms to be used by cities and towns with approved debt exclusions for obtaining a

resource for municipalities. We've used the lessons learned from the CCC and the importance of reaching every community as we've built out other signature programs of our Administration. From the [Community One Stop for Growth](#), our easy to access, single application portal featuring a streamlined grant process for 10 integrated economic and community development programs, to our hyper-local roadway and community space [Shared Streets and Spaces Grant Program](#), to our community-centered [Municipal Vulnerability Preparedness Program](#) for climate resiliency, and everything in between, partnering with cities and towns in support of a more robust, thriving Commonwealth has always been our goal.

I am pleased to share that with funding provided by the Legislature, the FY23 budget signed by Governor Baker, and the FY23 Capital Investment Program, provides funding for the full suite of CCC programs including the Best Practices Program, IT Grant Program, Efficiency & Regionalization (E&R) Grant Program, and Municipal Fiber Grant Program.

The [Best Practices Program](#) represents an opportunity for a municipality to enter into a voluntary, mutual agreement with the Commonwealth to identify and implement up to two best practices from a broad range of areas, allowing for identified local needs and priorities to be fulfilled. The [E&R Grant Program](#) offers financial support to governmental entities interested in implementing regionalization and other efficiency initiatives that enable long-term sustainability. The [IT Grant Program](#) is focused on driving innovation and transformation locally via investments in technology. With a similar focus on technology, the [Municipal Fiber Grant Program](#) is designed to assist municipalities with the construction of municipal fiber infrastructure and related projects and expenditures.

As the final round of CCC programming under our Administration, this year's CCC programming is especially critical and represents a unique opportunity to build on the best practices, initiatives, and successes made possible by the CCC over the years for cities and towns across the Commonwealth. I am tremendously proud to say that since our Administration launched the signature CCC program – the Best Practices Program – all 351 communities in the

determination about the inclusion of cost increases.

[IGR-2022-14 – PROPOSITION 2½ DEBT EXCLUSIONS](#)

To access IGRs, LFOs and Bulletins, please visit this [webpage](#).

Overview of Municipal Debt Training Video

DLS has added a new informational [video](#) on municipal debt to the [Municipal Finance Training and Resource Center](#) and our [YouTube page](#). The video provides a brief overview of municipal debt, how it's authorized, and the roles local officials and others play in the issuance process. The training video also highlights a number of DLS resources available to help municipal staff better understand municipal debt.

These include our existing municipal debt videos like the [Deeper Dive into Municipal Debt playlist](#). You can also review [informational guideline releases](#) and access our [debt service calculator](#) as a guide to project debt service payments. These and other municipal debt-related resources are all available on the [debt and borrowing section](#) of our training page.

Pandemic Flexibility Provisions Extended

On July 16th, 2022, Ch. 107 of the Acts of 2022 was signed into law, extending certain pandemic-related policy measures. This bill authorized the continuation of remote meetings and public access under the Open Meeting Law and other remote meeting provisions (including for Massachusetts nonprofit corporations and Massachusetts public companies) until March 31, 2023. [Click here to view the law](#).

For additional related information and resources, please see the [DLS COVID-19 Resources and Guidance for Municipal Officials page](#).

Latest Issue of Buy the Way Now Available

Don't miss Issue #16 of [Buy the Way](#), the official magazine of the Operational Services Division (OSD).

[Click here](#) to get news and updates from OSD delivered to your inbox.

DLS Posts Three New Webinars

Commonwealth have entered into a Community Compact and over **740 grants totaling \$14.7M** in funds have been awarded in support of more than 1,175 chosen Best Practices. Over the years, we have continued to build out the CCC program suite. Recognizing the demand for innovation and technology investments in local government, we established the IT Grant Program, which to date has awarded **364 grants totaling \$19.2M** in support of over 300 municipalities and school districts. Seeking to provide new opportunities to increase efficiency and sustainability at the local level given the various demands facing municipal government, we offered the Efficiency & Regionalization Grant Program, which has resulted in **86 grants totaling more than \$7M** in funding in support of 250 municipalities and school districts. Finally, last year we introduced the newest CCC program, the Municipal Fiber Grant Program. In its inaugural round, the Municipal Fiber Grant Program proved to be incredibly popular, and led to awarding **71 grants totaling \$13.2M** in support of 86 municipalities and school districts.

While more details surrounding the opening of Community Compact Cabinet programs will be released next week, the Best Practices Program will kick-off the FY23 programming by opening August 15th. An email will be sent to all municipal CEO's that includes a letter from me with additional program information and passcodes. These programs have proven to be instrumental in supporting efficient, responsive, and innovative municipal government operations, and I look forward to celebrating these programs with you for a final time. Let's finish strong!

As you mark your calendars for the CCC Programs, I encourage you to "save the date" for the **upcoming MARPA-DLS Fall Municipal Conference, which will be held beginning at 8:30am at Holy Cross on September 29th**. The conference will feature remarks from senior members of our Administration, workshops on several timely and relevant issues for municipalities, and an opportunity to network with fellow municipal leaders. Look out for more information on this from MARPA and DLS, and I look forward to seeing you there!

Recorded versions of recently held DLS webinars are now available on our YouTube channel! These include:

[Free Cash Upload & Certification Walkthrough](#): On April 26th, Bureau of Accounts staff highlighted how to complete the forms necessary for free cash certification. These forms, uploaded in Gateway, are used to request certification of and calculate a city or town's free cash certification from BOA each fiscal year. As mentioned during the webinar, you can also refer to our [Introduction to Free Cash video](#) for an overview of how free cash is calculated, and an [additional video](#) providing a brief overview of the upload process. Slides from the presentation are also available to [download](#).

[How to Value a Massachusetts Town for Taxation](#): On May 25th, DLS' Chris Wilcock, Chief of the Bureau of Local Assessment (BLA), provided an overview of mass appraisal, the standardized procedures for collecting data and appraising property to ensure that all properties within a municipality are valued uniformly and equitably. Slides from the presentation are also available to [download](#).

[Excess and Deficiency Upload](#): On June 8th, BOA staff provided instruction about how to complete the forms necessary for excess and deficiency certification. These forms, uploaded in Gateway, are used to calculate and approve a regional school district's excess and deficiency amount each fiscal year. Slides from the presentation are also available to [download](#).

One-Time Assistance for Districts with Pandemic-Related Enrollment Disruptions Impacting Chapter 70 Aid

The Division of Local Services (DLS) and the Department of Elementary and Secondary Education (DESE) have jointly issued guidance regarding FY2022 One-Time Assistance for Districts with Pandemic-Related Enrollment Disruptions Impacting Chapter 70 Aid. The information provided includes the spending timeframe and purpose as well as accounting matters.

[Click here to view the DLS/DESE guidance.](#)

DLS Links:

For more information on the Community Compact Program, reach out to DLS Senior Deputy Commissioner Sean Cronin at croninse@dor.state.ma.us.

We wish you a safe and enjoyable rest of summer.

Sincerely,

Karyn Polito

Lieutenant Governor

City & Town Reader Survey

City & Town Editorial Board

City & Town is once again asking you, the readers, for feedback through a [brief online survey](#). Your responses will help us improve both the delivery and content of the publication. Previous survey results have prompted the addition of a table of contents, a new layout, the increased use of graphics, and the introduction of recurring features highlighting data and frequently asked questions.

We ask you to take a moment to answer the survey's eight questions. Your responses will be received anonymously and the results will be reported back in an upcoming edition. Your opinions matter and we thank you for helping to shape and improve *City & Town*. To take the survey, please [click here](#).

Exciting New Changes Coming Soon to Gateway

Kirsten Shirer - Data Analytics and Resources Bureau Chief

Deb Wagner - Director of Accounts

The Division of Local Services (DLS) is always thinking about ways to make doing business with us easier for cities and towns. For FY 2023, we have improved the Gateway processes related to free cash and tax rate certification.

[COVID-19 Resources and Guidance for Municipal Officials](#)

[Events & Training Calendar](#)

[Municipal Finance Training and Resource Center](#)

[Local Officials Directory](#)

[Municipal Databank](#)

[Informational Guideline Releases \(IGRs\)](#)

[Bulletins](#)

[Tools and Financial Calculators](#)



Free Cash Certification

The Balance Sheet Submission page gives cities and towns the opportunity to enter the date of an upcoming legislative body meeting at which they plan to appropriate from free cash or retained earnings. Although the meeting date field was there in prior years, it was not required for submission of the balance sheet. Beginning in FY 2023, municipalities will be required to select one of two options in order to submit the balance sheet: enter a meeting date or tell us no such meeting is planned by checking a “no meeting” checkbox. The benefit to communities is that the Bureau of Accounts can prioritize the balance sheets submitted to ensure that free cash is certified in time for the meeting.

Part II Other Required Misc. Forms: Status
All of these Gateway forms must be submitted (“Form Submit” status) to submit the Balance Sheet:

Form Name	Form Status	Last Action Date
BALANCE SHEET CHECKLIST	NO STATUS FOUND	
YEAR END CASH REPORT	FORM ENTERED	7/22/2022 1:26:29 PM
CASH RECONCILIATION	NO STATUS FOUND	
OUTSTANDING RECEIVABLES	FORM ENTERED	7/21/2022 3:44:56 PM
STATEMENT INDEBTEDNESS	FORM ENTERED	7/6/2022 3:38:45 PM
SNOW AND ICE	NO STATUS FOUND	

Please enter the date of any upcoming meeting that will include appropriations from Free Cash and/or Retained Earnings
Check here if no scheduled meetings of the legislative body include appropriations from Free Cash and/or Retained Earnings ☐

The Balance Sheet Checklist has changed from an Excel file to a Gateway form that cities, towns and special purpose districts enter information into directly, saving time and effort. We have reduced the number of checklist questions and rephrased some questions to provide greater clarity about what we are asking. The new Gateway form uses “add a row” functionality to provide more space where needed. For new questions regarding the prior year’s free cash and retained earnings certifications and appropriations, the amounts and certification dates appear automatically, and we allow more room to list the votes. Some other Gateway changes will streamline our internal processes for calculating and proving free cash. For example, now that the Balance Sheet Checklist is a Gateway form, our free cash proof can obtain data directly from the Balance Sheet Checklist instead of BOA advisors having to find it in the Excel file and re-type it in Gateway. This functionality will greatly increase review efficiency and make the certification process even faster than in previous years.

Balance Sheet Checklist

Balance Sheet Checklist

Status: FORM ENTERED

Unlock for DLS

Unlock for Community

ALFORD - 006 2022

Jurisdiction: Alford - 006

Fiscal Year: 2022

Go

- Are there any unrecorded property tax refunds due to taxpayers as of June 30, 2022?
If YES, please identify any refunds due to taxpayers: ☐ Yes ☒ No
- Have you accrued property tax revenue on your combined balance sheet?
If YES, please enter the amount: ☐ Yes ☒ No
- Do the amounts due to and due from offset? ☒ Yes ☐ No
- Have all payables and encumbrances been recorded, including accrued payroll?
If NO, please indicate the account and amount: ☒ Yes ☐ No

	Account	Amount
<input type="checkbox"/>		0
<input type="checkbox"/>		0
<input type="checkbox"/>		0

Add New Row

Delete Selected Row(s)

Tax Rate Certification

There are two major changes for the FY 2023 tax rate certification. The first is one that we are sure will save time when submitting the recap. We made the Page 3 Estimated Local Receipts documentation form a Gateway form instead of an Excel form. All the accountant needs to do is enter information on Page 3, Local Estimated Receipts, and click "Save". This sends Page 3 data to the new Recap Page 3 Support form, where the accountant only needs to provide explanations for increases using a Comment button (the same approach used for Schedule A Edits.) If a line item requires an explanation due to the percentage change and that amount or percent is not material, all the accountant needs to do is enter "immaterial" in the Comment field. For the Miscellaneous Recurring and Non-Recurring detail, the total for each row on Page 3 appears in the Support form, and the accountant will enter the amounts that make up those totals. Gateway will display an error message when the total of the detail does not agree with the total on Recap Page 3, lines 22 and 23. This form must be in "submit" status to submit the recap form.

ACTUAL/ESTIMATED	MISC	RECURRING	NON-RECURRING	*Local Receipts Not Allocated			
				(a) Actual Receipts Fiscal 2022	(b) Estimated Receipts Fiscal 2023	Percentage Change	Comment(s)
-->	1.	MOTOR VEHICLE EXCISE		4,206,523.00	3,200,000.00	-23.93	Remaining conservative with fears about a recession and supply chain issues reducing the available stock of vehicles to buy.
-->	2.	OTHER EXCISE					
-->		a.Misc		744,517.00	450,000.00	-39.56	
-->		b.Room		5,143,763.00	2,949,644.00	-42.66	Starting in FY 2023, 75% of revenues from short term rentals is going to a wastewater stabilization fund. Short term rental money for FY 2022 was \$1,514,943.
-->		c.Other		14,159.00	13,000.00	-8.19	
-->		d.Cannabis		0.00	0.00	0.00	
-->	3.	PENALTIES AND INTEREST ON TAXES AND EXCISES		247,203.00	198,000.00	-19.90	

The final tax rate process change is that we no longer require that

the Clerk's Certification of Vote be uploaded to Recap form LA-5. We have modified the Clerk's attestation language right on the LA-5. When a clerk signs the LA-5, they are attesting that a classification hearing was held on the date entered, was published in accordance with the open meeting law, and that the classification percentages adopted at that meeting are accurately entered on the LA-5 form. An upload is only required to support a residential or senior means-tested exemption; communities not adopting either exemption no longer need to upload anything to the LA-5.

We're confident that our FY2023 Gateway changes will allow municipal users to complete these important processes more efficiently. As always, please reach out to your Bureau of Accounts field representative if you have any questions about the tax rate or balance sheet processes. For help with DLS Gateway, contact Gateway Support by emailing DLSGateway@dor.state.ma.us.

Ask DLS: Prepayment

This month's *Ask DLS* features frequently asked questions concerning prepayment. Please let us know if you have other areas of interest or send a question to cityandtown@dor.state.ma.us. We would like to hear from you.

Are municipalities allowed to prepay for goods and services?

Generally, no. Under [G.L. c. 41, § 56](#), all boards, committees, department heads and officers authorized to expend money must, at least monthly, approve and transmit to the accounting officer all bills and payrolls that are chargeable to the appropriations over which they have spending authority. Approval for such expenditures is given only after a determination that the charges are correct and the goods, materials or services were ordered and actually received. [G.L. c. 41, § 56](#) provides that payment can be made only after goods have been delivered or services rendered.

Are there any exceptions to this rule under [G.L. c. 41, § 56](#)?

Yes, but they are exceedingly rare. For example, DLS has opined that a progress payment may be made toward the manufacturing and customization of a fire truck as title to and delivery of what is being paid for are taken, as discrete segments of the process are completed. More specifically, we have advised that a partial payment can be made for the acquisition of title to the chassis of a fire truck before the fire truck is finished and final delivery is taken.

Additionally, DLS has opined that the occupancy of leased premises or a subscription which begins immediately can be paid for before the relevant time period has passed. Actual possession of the premises and the start of a subscription (first magazine arrives in the mail for example) is enough to warrant payment.

Are advances to employees permitted?

[G.L. c. 44, § 66](#) provides: "In any city having a plan E or plan D charter with the approval of the city manager, in any other city with the approval of the mayor, and in towns with the approval of the selectmen, advances may be made to any officer or employee thereof in anticipation of necessary expenses authorized to be incurred under the provisions of clause (34) of section 5 of chapter 40 subject, however, to such regulations as the treasurer thereof shall from time to time prescribe."

Until 1990, when all the clauses of [G.L. c. 40, § 5](#) were stricken, G.L. c. 40, § 5(34) allowed expenditure "For the necessary expenses of municipal officers and employees of any particular department incurred outside the commonwealth in securing information upon matters in which the city or town is interested or which may tend to improve the service in such department, including any training program or programs for municipal officers or municipal employees, relating to special aspects of their duties and including attendance at state police schools conducted by the department of public safety, attendance at schools for the training of local police officers conducted by the Federal Bureau of Investigation, the Massachusetts Chiefs of Police Association, the Boston police department, the Worcester police department, the Springfield police department, and the metropolitan district commission police

department and attendance at courses at colleges and universities for the training of police officers, authorized by the board of selectmen in a town, or by the town manager in a town having the same, by the mayor in a city, or by a city manager in a city having the same, if such appropriation is specified to be and is limited to such expenses as aforesaid. Such expenses may also be incurred anywhere within the commonwealth and in such case shall be chargeable against any appropriation of the department incurring the same. Total appropriations in any year under the provisions of this clause for the necessary expenses of municipal officers and employees of any particular department incurred outside the commonwealth shall be limited to one one-hundredth of one per centum of the equalized valuation of the city or town as defined in section one of chapter forty-four."

[G.L. c. 40, § 5](#) has been rewritten to authorize town appropriations "for the exercise of any of its corporate powers; provided that a town shall not appropriate or expend money for any purpose, on any terms, or under any conditions inconsistent with any applicable provision of any general or special law." St. 1989, c. 687, §§ 12 & 25.

DLS has generally concluded that this change in the law was not intended to eliminate the numerous municipal expenditure purposes set forth in the clauses, but to continue to include such purposes within the general authorization that remained after the amendment. Prior to the change, the Supreme Judicial Court (SJC) in Anderson v. City of Boston, 376 Mass. 178 (1978) had opined that the list of provisions was not an exclusive one and appropriations for other municipal purposes were authorized by the general language of the statute.

Given this, it appears that pursuant to [G.L. c. 44, § 66](#) advanced payments for training programs can be made provided that the department has an appropriation for such purposes and has the proper authorization noted above. Accordingly, advanced payments can be made for the necessary expenses of municipal officers and employees outside or within the Commonwealth in securing information upon matters in which the community is interested or

may tend to improve the services in such department which includes training programs. Any payment, however, must be made pursuant to a duly authorized warrant.

Additionally, [G.L. c. 44, § 65](#) is a local option authorizing prepayment of salary for upcoming vacation.

Are prepayments for special education allowed?

Yes. [G.L. c. 71, §71D](#) authorizes pre-payment of three months tuition from funds of the last fiscal year to cover special education instructional costs in the new fiscal year. However, the allowance for pre-payment of tuition does not extend to prepayment of transportation costs. Those are outside the scope of [G.L. c. 71, §71D](#) and may not be prepaid from funds of the prior fiscal year.

Are municipalities allowed to prepay for educational collaboratives?

[G.L. c. 40, § 4E](#), specifically, states: "A school committee of a city, town or regional school district or charter school board may authorize the prepayment of monies for an educational program or service of the education collaborative to the treasurer of an education collaborative, and the city, town or regional school district or charter school treasurer shall be required to approve and pay the monies in accordance with the authorization of such school committee or charter school board." Education collaboratives under [G.L. c. 40, § 4E](#) can provide other services besides special education, and there is no limit on prepayments to them. The effect of [G.L. c. 40, § 4E](#) prepayment provision is to treat collaboratives more like regional school districts than like an ordinary vendor of services. Payments to collaboratives can be structured like payments of regional school assessments, with no particular relationship required for any given fiscal year between the timing of the payments and the timing of the services.

Editorial Board: Marcia Bohinc, Linda Bradley, Sean Cronin, Emily Izzo, Lisa Krzywicki and Tony Rassias

Contact *City & Town* with questions, comments and feedback by emailing us at cityandtown@dor.state.ma.us. To view previous editions, please [click here](#).

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