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Important Dates & Information

Proposed 2022 Equalized Valuations

On June 1, 2022 the Bureau of Local Assessment will post the 2022 Equalized Valuations (EQVs) representing the full and fair cash value of all taxable property for each municipality as of January 1, 2022 to the Division of Local Services Gateway website at <https://dls.gateway.dor.state.ma.us/gateway/Login>. Access can be made directly from the landing page by clicking on LA19 Equalized Valuation Report.

These EQVs will be used as a basis of comparison among the 351 municipalities within the Commonwealth for certain state and local purposes. Specifically, EQV is used in the allocation of aid to public libraries, in the calculation of Chapter 70 funding, and in the reimbursement rate of school construction projects. Certain Cherry Sheet charges also use EQV: County Tax, Boston Metropolitan Transit District, Mosquito Control Projects and Air Pollution Control Districts. In addition, EQV is used in calculating a community's debt limit (M.G.L. c.44, § 10).

Informal Hearings will be conducted for the convenience of communities who wish to question

Helpful Tools for Municipal Clerks

**Melinda Ordway - Financial Management Resource Bureau
Senior Project Manager**

A city or town clerk is an integral member of the municipal management team and a central information point for residents.

While the job responsibilities may vary from community to community in Massachusetts, the clerk is a bonded official who is the municipality's record keeper and often the chief election officer.

Along with keeping vital records and statistics in the community, including birth, death, and marriage certificates, and holding the official municipal seal for certified copies of certificates, clerks issue various licenses and business certificates. For some, they may be authorized to accept passport applications and renewals. City and town clerks administer the oath of office to newly elected, reelected, and appointed local officials before any may serve ([G.L. c. 41, § 107](#)). They are required to record all legislative body votes, retain all permanent and ad-hoc committee or board minutes and records, and maintain up-to-date municipal code of town bylaws or city ordinances. In towns, the clerk also must submit all new and revised bylaws to the Attorney General for review and approval.

As an election official, the clerk works in conjunction with registrar of voters or election department to ensure that there are fair and impartial elections. This includes registering and maintaining voter rolls, mailing annual community census forms, certifying nomination papers and initiative or referenda petitions, processing absentee

their proposed EQV. These hearings will be held on weekdays from Wednesday, June 1st through Friday, June 10th, 2022. DLS will conduct telephone conference calls to address concerns and discuss documentation submitted by the Board of Assessors via email that support different values. If you would like to schedule an appointment, please contact James Paquette at paquettej@dor.state.ma.us.

A **Public Hearing** will be conducted via a virtual hearing by the Bureau of Local Assessment on Friday, June 10th, 2022 at 10am. Please register by contacting James Paquette at paquettej@dor.state.ma.us to receive the instructions to the weblink.

FY2023 Preliminary Cherry Sheet Estimates

The Senate Ways & Means Committee (SWM) released their version of the FY2023 budget proposal yesterday. The SWM proposal increases funding for the unrestricted general government aid (UGGA), state-owned land, smart growth school cost reimbursement, library aid program, regional school transportation and local share of racing taxes. As a result, DLS has updated the preliminary cherry sheet estimates to reflect these new funding levels. The preliminary cherry sheets can be found on the DLS website.

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

Cherry sheet estimates for charter school tuition and reimbursements are based on estimated tuition rates and projected enrollments under charters previously issued by the Board of Elementary and Secondary Education. Please be advised that charter school assessments and reimbursements will change as updated tuition rates and enrollments become available. Estimates for the school choice assessments may also change significantly when updated to reflect final tuition rates and enrollments.

It is important for local officials to remember that these estimates are preliminary and are subject to change as the legislative process unfolds.

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

voter applications, and administering elections and recounts. The clerk must also certify the results of any town election.

Clerks frequently interact with the Division of Local Services (DLS). Typically, clerks are tasked with maintaining and updating the DLS Local Officials directory. With accurate information in the directory, DLS can disseminate notices, certifications, and other information to the appropriate individuals. As the local Gateway account administrator, clerks have permissions to create user accounts for members of the local government, like the financial management team. Clerks also annually certify assessing personnel in Gateway.

Clerks are required to send certified copies of borrowing authorization votes ([G.L. c. 44, § 28](#)) within 48 hours after a vote takes effect to the Public Finance Unit at DLS. Each vote must be declared passed unanimously or by 2/3rds vote, and any debt contingent upon a Proposition 2½ debt exclusion requires the certified election result before becoming effective. In addition to the statutory reporting, the Bureau of Accounts (BOA) requires form [DA-82](#) from town clerks. Both the certified copies of borrowing authorization votes and form DA-82 must be emailed to municipaldebt@dor.state.ma.us because paper submissions are no longer accepted by mail.

Clerks also must report accepted local option statutes regarding local taxes and finances and Proposition 2½ questions. [Local option statutes](#) include adoption of quarterly tax billing, personal property tax exemptions, community preservation act, local room occupancy, meals and marijuana excises, Other Post-Employment Benefits Liability Trust Fund, and dedication of revenue to a stabilization fund. As for Proposition 2½ questions, clerks must send specimen ballots with certified election results, which include votes that have passed and failed and clearly indicate the purpose and type of vote (override, underide, stabilization, debt exclusion or capital expenditure exclusion). While local option and Proposition 2½ votes have been submitted to DLS by email at databank@dor.state.ma.us, clerks will be able to enter these in Gateway beginning in FY2023, streamlining the notice process and making the information readily available.

DCR Long-Term and Short-Term Seasonal Positions Available Statewide

The Massachusetts Department of Conservation and Recreation (DCR) is hiring hundreds of seasonal employees for the peak recreation season between Memorial Day and Labor Day. A few positions are also open at other times during the year. Long-term seasonal positions are for more than 90 days, and short-term for fewer than 90 days. The Department is recruiting for positions such as rangers, park interpreters(programming), supervisors, pool managers, drivers, coastal shore bird monitors, forestry assistants, buildings and ground maintenance workers, and office assistants, to highlight a few of the many available opportunities. Furthermore, some seasonal employees assist DCR professional staff in environmental planning and management.

We encourage you to share these opportunities with your networks through social media, such as posting the attached recruitment flyer, and other forms of communications and to check out available opportunities [here](#).

FY2023 Budget Issues and Other Related Matters

The Division of Local Services (DLS) Bureau of Accounts (BOA) has issued and posted Bulletin (BUL) 2022-5. This Bulletin addresses several topics that cities, towns, regional school and other districts should consider for FY2023 budgeting and other related matters.

[BUL-2022-5: FY2023 Budget Issues and Other Related Matters](#)

To view the bulletin, [click here](#). To access additional IGRs and Bulletins, please visit this [webpage](#). For additional information and guidance regarding emergency procedures, please visit our webpage [here](#).

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

Annually, clerks provide essential information for the tax recap process. They attest that the appropriations and financing sources on the Tax Recap Page 4 and supporting schedules for enterprise funds (A-2) and community preservation funds (A-4) include all activity that occurred since the last recap was approved. They also certify that proper notice was given for the public hearing on the annual tax classification options. Both are directly entered into Gateway.

To assist in internally tracking the legislative action for the recap, DLS developed a [City/Town Appropriation Template](#) in Excel to document the votes, including the article or order number, date, purpose, and funding sources. The spreadsheet is designed so that the clerk can verify the appropriations tally in total and by revenue source (e.g., raise and appropriate, free cash, available funds, enterprise funds and community preservation funds) for each council or town meeting. Additional lines may be added within a spreadsheet as needed to record each article or ordinance and new sheets may be inserted in the workbook for additional meetings. We recommend that the information for Page 4 be recorded as soon as possible after the conclusion of each legislative session and reviewed by the accounting officer to ensure that the two offices agree on the detailed information so as to not delay the recap approval process.

Depending upon the community, the city or town clerk has many duties to perform. As recordkeeper, historian, licensing issuer, election official, or administrator of the oath of office, they serve an important role in the community, serving citizens, offices within the community, and local and state government.

Ask DLS: Encumbrances

This month's *Ask DLS* features frequently asked questions concerning encumbrances. 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.

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 Issues Two Bulletins and a Local Finance Opinion

The Division of Local Services (DLS) Bureau of Local Assessment (BLA) has issued two new Informational Guidelines Releases (IGRs) and a Local Finance Opinion.

[IGR-2022-12 – FISCAL YEAR 2023 GUIDELINES FOR ANNUAL ASSESSMENT AND ALLOCATION OF TAX LEVY](#)

IGR 2022-12 provides combined guidelines for annual determination of property assessments for certification and interim years, classification of property according to usage class, calculation of the minimum residential factor and allocation of the tax levy among the property classes for Fiscal Year 2023. [Click here to view the IGR.](#)

[IGR-2022-13 – FISCAL YEAR 2023 GUIDELINES FOR DETERMINING ANNUAL LEVY LIMIT INCREASE FOR TAX BASE GROWTH](#)

IGR 2022-13 describes procedures and forms for reporting tax base growth and adjusting levy limits for FY2023. [Click here to view the IGR.](#)

[LFO-2022-2 - EXEMPTION ELIGIBILITY WHEN PROPERTY IS HELD IN TRUST](#)

The Municipal Finance Law Bureau (MFLB) has issued a new Local Finance Opinion (LFO) 2022-2 concerning exemption eligibility when property is held in trust. [Click here to view the LFO.](#)

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

Bulletins on Coronavirus Relief Fund

The Division of Local Services Bureau of Accounts has issued and posted the following two bulletins:

[BUL-2022-3: Coronavirus Relief Fund – Municipal Program Denied Costs at Audit](#)

This Bulletin outlines procedures for COVID-19 expenses deemed ineligible during the audit performed by the Executive Office for Administration and Finance's

What is an encumbrance?

Encumbrances are an accounting device to ensure that municipalities do not close out operating appropriation balances against which vendors and employees may have enforceable contractual claims at the end of the fiscal year. Appropriations, whether for operating purposes or special purposes, constitute a delegation of the municipality's power to make contracts. Without an appropriation or other funding source such as a grant, municipal officials generally do not have the power to incur obligations that will bind the city or town. [G.L. c. 44, § 31](#). The determination of what constitutes adequate documentation for an encumbrance may depend upon local practice, bylaws and the allocation of responsibilities among various town officials.

What are the differences between an encumbrance and a special purpose appropriation?

Special purpose appropriations are not confined to a particular fiscal year, and therefore, remain open until the purpose is fulfilled or abandoned. There is no need for encumbrances against such an appropriation because the appropriation has no predetermined expiration date. Operating appropriations in the annual budget are limited to spending for the operation of the city or town department in that fiscal year and must be closed out at the end of the fiscal year. [G.L. c. 44, §§ 56 & 56A](#). If the municipal accounting officer closed out the undisbursed balance of an operating appropriation against which the department had already incurred an obligation, the city or town would still be liable for that obligation. The closed-out appropriation balance would in the ordinary course of things be certified as part of its free cash; if that free cash were spent, the result would be a deficit. To avoid such deficits, operating budget appropriations need to be encumbered to the extent that the department has already entered into binding contractual arrangements in reliance upon the appropriation.

Encumbrances should not be based merely on a department's planned or intended expenditures. No encumbrance is tenable

Federal Funds Office on the use of CvRF-MP funds.

[BUL-2022-4: Veterans' Cost of Living Adjustment Chapter 115 Funds](#)

This Bulletin outlines procedures to account for additional FY2022 Veterans' Cost of Living Adjustment (COLA) Chapter 115 Funds in a special revenue fund.

To access additional IGRs and Bulletins, please visit this [webpage](#). For additional information and guidance regarding emergency procedures, please visit our webpage [here](#).

Informational Guidelines Releases (IGRs) Concerning Personal Property Audits and Intermunicipal Assessing Agreements

The Division of Local Services Municipal Finance Law Bureau has issued two new Informational Guidelines Releases (IGRs) concerning personal property audits and intermunicipal assessing agreements.

[IGR 2022-10 Personal Property Audits](#)

IGR 2022-10 explains procedures for auditing personal property tax returns (also referred to as "true lists" or "forms of lists") for the purpose of verifying that a complete and accurate accounting of personal property subject to tax has been made. Procedures for making omitted and revised assessments resulting from audits are also explained.

[IGR 2022-11 Intermunicipal Assessing Agreements](#)

IGR 2022-11 provides boards of assessors and other city and town officials with information on entering into intermunicipal agreements to share assessing functions through common boards and administrative staff.

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

Cybersecurity Health Check Program

The Office of Municipal and School Technology provides the following program available to Massachusetts municipalities and schools. If you have any questions, please contact Catherine.Marques@mass.gov

unless another party had acquired enforceable rights to payment under a municipal contract. Thus, the amount of an outstanding purchase order that has been placed with a vendor by June 30 should be encumbered. However, the amount of a prospective purchase that has gone out to bid by June 30 but for which no contract exists cannot be encumbered.

Please see the [December 2nd, 2021 issue of City & Town](#) for more information on special purpose appropriations.

How can a municipality encumber funds for periodic charges, such as utility bills?

Periodic charges such as utility bills, whose billing periods overlap the end of the municipal fiscal year, raise awkward problems. Such liabilities arise for a particular billing period not by virtue of any separate purchase order or contract entered into by the department, but merely because of the volume of service used in that period. Theoretically, the departmental appropriation could be encumbered based upon the cost of services provided through June 30th, and the bill paid partly from the encumbrance and partly from the succeeding year's appropriation, in the same way salaries for a pay period that includes parts of two fiscal years are paid. However, such an approach is administratively impractical for charges such as utility bills, which unlike salaries cannot simply be pro-rated between different fiscal years based upon the number of days of the billing period in each year.

It is reasonable in our view to pay such bills for periods that overlap the end of the fiscal year either by encumbering the prior year's appropriation and paying the bill from the encumbrance, with any surplus in the encumbered amount reverting to the general fund, or by charging the bill to the following year's appropriation. But we believe that whichever practice is adopted should be followed consistently, so that no more than a year's worth of bills are paid from any given fiscal year's appropriation. In the case of monthly bills, that would mean no more than twelve bills paid from any given annual budget. A rule allowing a department discretion to pay thirteen months of bills from one fiscal year's operating budget

[Cybersecurity Health Check](#)

The Cybersecurity Health Check Program provides opportunities for local government to access basic cyber security services at no cost. These services can be a good first step in discovering, assessing and identifying cybersecurity gaps that could impact IT systems that support essential business functions. This is a rolling application.

DLS Links:

[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](#)



would in effect allow that department to transfer appropriations between fiscal years. The power to transfer appropriations between different spending purposes is reserved to the municipal appropriating authority under [G.L. c. 44, § 33B](#).

Do school funds have to be encumbered?

[G.L. c.71, § 34](#) does not by its terms have any direct bearing on the issues raised by encumbrances. [§34](#) constrains the power of a municipal appropriating body to prescribe the details of school spending through the annual budget process. Cities and towns can generally appropriate departmental budgets other than the schools' budget in as much detail as they wish, and such details will be binding on the departments, but any details within the school department's operating budget are no more than a recommendation to the school committee. The limitation on spending from one fiscal year's appropriation for purposes of another fiscal year derives not from the details of any municipality's budget, but from the principles of municipal finance established by the General Laws and, in particular, from the provisions for annual operating budgets.

One provision of Education Reform is relevant to encumbrances. [G.L. c. 70, § 11](#) provides that to the extent a school district underspends its net school spending obligation, the balance of the appropriation (up to 5% of the required net school spending) is automatically carried forward to the following year. No purchase orders are necessary for such carry-forward amounts. But for unspent school budget balances in municipalities that have met their net school spending obligation, this automatic carry-forward rule is inapplicable. The normal rules governing encumbrances based on purchase orders apply.

Other provisions of Education Reform have an indirect bearing on the issue of encumbrances. The entire elaborate apparatus of financial formulas in [G.L. c. 70](#), which sets out the calculation of schools' spending requirements and municipalities' school funding obligations, rests on the premise that each fiscal year's school budget provides for the spending of that school year, with the one exception referred to above that derives from [§11](#). This

presupposition in [c.70](#) highlights the significance of the language of [G.L. c. 71, § 34](#), which says that municipalities "...shall annually provide an amount of money sufficient for the support of the public schools..." These general provisions and statutory exceptions make it clear that each fiscal year's school budget is a distinct spending authorization, within which the school's line-item fiscal autonomy under [§34](#) is operative.

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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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