Commonwealth of Massachusetts

Supporting a Commonwealth of Communities
DLS Overview

Sean Cronin
Senior Deputy for Local Services

croninse@dor.state.ma.us
Mission

❖ The Division of Local Services (DLS) promotes sound municipal finance management practices and supports local officials by providing guidance, training and oversight

❖ DLS is responsible for:
  ▪ The accuracy and quality of local accounting and treasury management
  ▪ Ensuring the fairness and equity of local property assessment and taxation
  ▪ Distributing local aid
  ▪ Maintaining a comprehensive databank on local finances
  ▪ Interpreting state laws that govern local finances
  ▪ Providing Technical Assistance & Training

https://www.youtube.com/watch?v=4x7qq_dbklQ
Organization

Senior Deputy Commissioner of Local Services

Bureau Chief, Bureau of Accounts (Deb Wagner)

Bureau Chief, Bureau of Local Assessment (Chris Wilcock)

Bureau Chief, Financial Management Resource Bureau (Zack Blake)

Bureau Chief, Municipal Finance Law (Ken Woodland)

Bureau Chief, Data Analytics & Resources Bureau (Kirsten Shirer Taylor)
Goal

- Good balance between regulatory functions and technical assistance/guidance
- Ultimate goal is to assist municipalities with financial management

Supporting a Commonwealth of Communities
Bureau of Accounts (BOA)

Deb Wagner, Director of Accounts

wagnerd@dor.state.ma.us
The Bureau of Accounts (BOA)

The Bureau of Accounts has been assisting, teaching, regulating and overseeing the financial management of Massachusetts’ local governmental entities for over 100 years. Every municipality has a field representative assigned to assist and oversee them.

The Bureau offers advice and instruction to local officials in:

- Sound accounting practices
- State Laws, regulations and requirements
- Procedures for borrowing, especially through our State House Note Program

BOA Assignments and contact information:

BOA Municipal Field Representatives
BOA Field Representatives for Districts
Bureau of Accounts Directory
Bureau of Accounts Page
The Tax Rate Recapitulation (Tax Recap)

- The Tax Rate Recapitulation is a summary of a municipality’s spending plan and proposed funding sources.

- The Recap, itself, is a four-page form that is accompanied by many support forms depending on financial make-up of the municipality.

- The Bureau reviews the document, its compliance with Prop 2½ limits, and then certifies resulting tax rates for residential, open space, commercial, industrial and personal property.

Related Links:

A Detailed Look at Setting the Tax Rate: Interactive video

Setting the Tax Rate: Overview
The Balance Sheet

- A balance sheet identifies a municipality’s assets, liabilities and fund equity balances and illustrates financial position as of June 30.

- The Bureau reviews the document and certifies general fund surplus (“free cash”) or enterprise fund surplus (“retained earnings”) from it.

- Once “Free Cash” is certified it becomes an available fund that can be appropriated by the legislative body for any legal purpose.

Related Links:

An Introduction to Free Cash (Video)

Webinar: Free Cash Upload & Certification Process
The Schedule A or “the annual report”

- Schedule A is a statement of revenues, expenditures, other financing sources and uses, and changes in fund balance for all funds as of June 30. It is, basically, an annual profit and loss statement for a City of Town.

- The Bureau approves the report, the data from which is added to the DLS Databank, reported to the U.S. Census Bureau, and used by many State agencies and the State Legislature.

- Schedule A is required to be submitted by November 30th every year. Municipalities that have not submitted by February 15th will have their local aid withheld by the State beginning with the February payment and continue until the Schedule A is received.
The Independent Audit or “audit report”

- These statements are the product of an independent audit firm hired by the municipality.

- The audit report may include findings and opinions, financial statements, schedules and statistical tables.

- The Bureau reviews the report for consistency with unaudited reports received by the Bureau and to monitor financial management from an independent perspective.

Related Links:

[Overview of Municipal Audits Webinar](#) (Video)
Municipal Debt

- **State House Notes Program** - First established in 1911, this Program is a convenient, no-cost Note certification procedure for the issuance of short-term debt and long-term Serial and Refunding notes by a governmental entity and provides an alternative to the certification of Notes procedure by commercial banks.

- **The Qualified Bond Program** - This Program allows cities, towns and regional school districts to issue general obligation bonds with the state paying the debt service directly from the municipality's or regional school district's local aid. They benefit from the strength of the state's credit rating which results in lower interest rates on debt issuances than might otherwise not.

Related Links:

Video series: A Deeper Dive Into Municipal Debt

View the full video (26 minutes)
Bureau of Local Assessment (BLA)

Chris Wilcock, Bureau Chief

wilcockc@dor.state.ma.us
Bureau of Local Assessment

1,500 Valuation Local Officials

$1.4T in Taxable Assessed Value

$19B Local Tax Revenue (65% total rev)

351 Municipalities

16 Valuation Professionals at BLA

2.5M Real Estate Parcels

200K Personal Property Accounts

140K Property Sales Reviewed

Local Assessment Bureau by the numbers

MGL Chapter 59
Property Assessment

- $1.2T of Residential Value
- $49B of Industrial Value
- $46B of Personal Property Value
- $170B of Commercial Value
- $20M of Open Space Value

Massachusetts
82% Residential

What is Assessed?
-5 Classes of Property-
Property Taxes

All property, real and personal, situated within the commonwealth, and all personal property of the inhabitants of the commonwealth wherever situated, unless expressly exempt, shall be subject to taxation

MGL Chapter 59, Section 2
Full and Fair Cash Valuation

For real and personal property MGL. c. 58, s. 1A

- BLA establishes
  - Rules
  - Regulations
  - Standards of Assessment Performance

- We also provide guidance to local assessors
Assessments are the values placed upon properties for the purpose of local property taxation.

Assessments as of January 1 (certification and interim years)

- Analysis of Market Condition
- Assessment Level
- Assessment Uniformity

<table>
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<tr>
<th>Current Assessed Value</th>
<th>Current Year Budget</th>
<th>Tax Rate</th>
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<tbody>
<tr>
<td>$1,000,000</td>
<td>$100,000</td>
<td>$10.00 Per $1,000 of Assessed Value</td>
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The five-year certification review is conducted by BLA staff to ensure the proposed values were derived utilizing a methodology based on generally accepted mass appraisal practices, are supported with current market evidence and are uniformly and equitably applied to all property.

Some of the Review Items

- All Property Data
- Cost and Depreciation Tables
- Land Schedules
- Income and Expense Analysis
- Rent Schedules
- Capitalization Rates
- Personal Property Accounts Cost and Depreciation Schedules
Property Classification

BLA determines and certify majority of assessors are qualified to classify property pursuant to MGL. c. 59, § 2A.

- Provide instruction for DOR 101 class
- Publish the Property Type Classification Codes Booklet

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Central Valuation

**MGL. c. 59, s. 38A and 39** by June 15\(^{th}\)

- **Pipelines Companies** used for transmitting natural gas or petroleum
- **Telephone Companies**: Valuation of machinery, poles, wires and underground conduits
- Assist with appeals at the Appellate Tax Board
Farmland Valuation

MGL. c. 61A, s. 11

- Farmland Valuation Advisory Commission - act as the Chairman of the Commission
- Publish the annual recommended per acre values of land in agricultural or horticultural uses
- Determine valuations of farm animals pursuant to G.L. c. 59, § 8A
Equalized Valuation (EQV)

Equalized Valuation MGL. c. 58, s. 10

- BLA determines Equalized Valuations as of January 1st every 2 Years
- BLA conducts public hearings in connection to issued values to local communities
- Specifically, EQV is used in the allocation of local aid such as Chapter 70 education aid, and certain Cherry Sheet charges also use EQV
State Owned Land

MGL. c. 58, s. 13-17; GL c 59, S 5 G

- BLA reviews the fair cash value of reimbursable state and county lands
- Provide values for allocation with annual state budget

The Commissioner of Revenue, through the Bureau of Local Assessment (BLA) of the Division of Local Services, determines the fair cash value of certain tax-exempt state-owned land (SOL) to be used to determine the Cherry Sheet Payment in Lieu of Tax (PILOT) distributed to the city or town each year.

Criteria for reimbursement

- Taxable status at the time of state acquisition
- Land Use
- State agency owning or “holding” the land

G.L. c. 58, § 13-17.
Municipal Finance Law Bureau (MFLB)

Ken Woodland, Bureau Chief

woodlandk@dor.state.ma.us
The Municipal Finance Law Bureau provides legal and policy advice to DLS/DOR managers and staff, and other DOR Divisions, on the municipal tax and finance laws within the regulatory purview of DLS.

Its attorneys:
• operate an “Attorney of the Day” service for local officials
  • Email: dlslaw@dor.state.ma.us

• draft advisories, opinions, guidelines and other public written statements that interpret municipal tax and finance laws
  • IGRs, LFOs, Bulletins, Taxpayer Brochures, Course 101, FAQ’s, etc.

• draft and review legislation
  • c. 102 of the Acts of 2021 §§ 20-29 for example

• participate in training programs for local officials
  • What’s New in Municipal Law, MCTA, MMAAA, MAAO, MMLA, etc.
1. Local tax bill form and content (annually) and other local tax forms as necessary (G.L. c. 58, § 31; G.L. c. 59, §§ 5, 29, 45, 54 & 69; G.L. c. 60, §§ 3A & 105; G.L. c. 61, §§ 2 & 3; G.L. c. 61A, § 6 & G.L. c. 61B, § 3)

2. Abatement Authorizations (G.L. c. 58, §§ 8, 8C)

3. Property Tax Exemption Social Security Deduction and COLA Determinations (G.L. c. 59, § 5)

4. Owner Unknown/Cluster Development/Present Interest Assessment Authorizations (G.L. c. 59, § 11)

5. Land of Low Value Foreclosure Affidavits (G.L. c. 60, § 79)

6. Minimum Bond Amounts for Clerks, Collectors & Treasurers (G.L. c. 41, §§ 13, 13A, 14, 18, 19, 20, 35, 37, 39A & 40 & G.L c. 60, §§ 13, 14 & 92)
Financial Management Resource Bureau (FMRB)

Zack Blake, Bureau Chief

blakez@dor.state.ma.us
Who We Are

FMRB advises cities and towns on opportunities to improve their financial management operations:

- Our project management team brings real-world experience and practical advice to every assignment

- We collaborate with other DLS bureaus and state agencies (like MassIT) to provide comprehensive guidance and tools

- Whether your community is facing a particular issue, would like to implement a best practice, or could benefit from a general assessment of its financial condition, we can assist
Mission

We strive to provide cities and towns with the support and resources they need to strengthen core financial management competencies and operate more efficiently and effectively.

- Conduct in-depth Financial Management Reviews and study individual finance office practices and procedures
- Produce tailored financial planning guidance, including financial policies, forecasts, capital planning analyses, budget documents and financial trend monitoring indicators
- Develop and circulate financial management best practices and tools
- Provide hands-on financial management training and assistance
Financial Management Reviews

- Town government structure in the context of the duties and responsibilities of financial officers
- The town’s capital planning, forecasting and budget processes
- The degree of coordination and communication that exists between and among boards, officials and staff involved in financial management operations
- The general efficiency of financial operations as measured by the town’s success in maximizing resources and minimizing costs
**Financial Planning Guidance**

**Financial Forecasts:** develop assumptions, project revenues and expenditures, offer policy recommendations

**Capital Planning Analyses:** project financial capacity, offer policy and process recommendations

**Financial Policies:** define purpose, applicability, policy, procedures and references on reserves, debt, investments, indirect costs, reconciliations, etc.

**Budget Documents:** outline framework as a policy document, financial plan, operational overview and communication device based on GFOA essential criteria

**Financial Trend Indicators:** offer a snapshot of the community’s fiscal health by illustrating trends in key revenue, expenditure and demographic categories
Financial Management Training

- Roles and responsibilities of municipal finance officials (i.e., accountant, treasurer, collector and assessor)
- Financial management processes and procedures (i.e., reconciliations, cash book, debt schedules, tax title/receivables, chart of accounts, etc.)
- Other municipal 101 like Proposition 2½, best practices
Work Across the Commonwealth

Where we’ve been over the last 10 years. All our reports are available on our website at: www.mass.gov/dls > Financial Management Resource Bureau
Data Analytics & Resources Bureau (DARB)

Kirsten Shirer, Bureau Chief

shirer@dor.state.ma.us
Data Analytics & Resources

<table>
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<tr>
<th>Gateway Support</th>
<th><a href="mailto:dlsgateway@dor.state.ma.us">dlsgateway@dor.state.ma.us</a></th>
<th>(617) 626-2350</th>
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- Gateway application and website support
- Assistance with state payments and assessments, Prop 2 ½ votes
- Visualizations, reports and other municipal finance data resources

Kirsten Shirer, Bureau Chief
(413) 452-3988
shirer@dor.state.ma.us

Lisa Krzywicki, Deputy Bureau Chief
(617) 626-2386
krzywickil@dor.state.ma.us
Local Aid/Cherry Sheets

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<th>Regional Transportation</th>
<th>Charter Tuition Reimburse</th>
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Receipts = Local aid  
Assessments = Charges for services  
provided by the Commonwealth

UGGA: Unrestricted General Government Aid

FY2023 Preliminary Cherry Sheet Estimates

Auburn

<table>
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<tr>
<th>PROGRAM</th>
<th>FY2022 Cherry Sheet Estimate</th>
<th>FY2023 Governor’s Budget Proposal</th>
<th>FY2023 House Budget Proposal</th>
<th>FY2023 SWM Budget Proposal</th>
<th>FY2023 Conference Committee</th>
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DLS Gateway

https://dlsgateway.dor.state.ma.us/gateway/Login

Support: DLSGateway@dor.state.ma.us

https://www.mass.gov/service-details/dls-gateway-user-guides-and-templates
Division of Local Services

(Municipal Finance Training and Resource Center | Mass.gov)

DLS promotes sound municipal finance management practices and supports local officials by providing guidance, training and oversight.

Most Requested

City/Town: City/Town Clerks Webinar: Submitting Proposition 2 1/2 Votes Using DLS Gateway

City/Town Clerks Webinar: Submitting Proposition 2 1/2 Votes Using DLS Gateway

1. Time is Running Out to Register for the 2022 “What’s New in Municipal Law” Seminar!

2. Join DLS on November 16th at 10am to review this new submission process with staff from DLS Data Analytics & Resource Bureau.

3. Municipal Finance Training and Resource Center


5. Cherry Sheets, Data Analytics & Visualizations

6. COVID-19 Guidance for Municipal Officials

7. Municipal Accounting Guidance and Oversight (MAGO)
Data Analytics

• Reports
• Visualizations
• Datasets

Division of Local Services
(DLS)
Dashboards

https://www.mass.gov/municipal-databank-data-analytics-including-cherry-sheets

Using visual elements to tell a story

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**Workforce Snapshot Massachusetts**

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<td>United States</td>
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<td>4.8%</td>
<td>3.5%</td>
<td>3.8%</td>
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<td>3.3%</td>
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<td>Massachusetts</td>
<td>6.7%</td>
<td>7.1%</td>
<td>5.7%</td>
<td>6.0%</td>
<td>4.5%</td>
<td>3.2%</td>
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<td>Abington</td>
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<td>7.1%</td>
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<td>3.2%</td>
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**Annual Average Unemployment Rate Not Seasonally Adjusted**

Select a municipality from the drop-down filter to compare the annual average unemployment rate to the state's annual average unemployment rate.

**Top 5** Massachusetts municipalities with the highest unemployment rate in 2020. Click on the info icon below for the full labor force table.

2020
---

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<td>Lawrence</td>
<td>17.4%</td>
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<tr>
<td>Springfield</td>
<td>13.8%</td>
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<tr>
<td>Revere</td>
<td>13.7%</td>
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<tr>
<td>Provincetown</td>
<td>16.9%</td>
</tr>
<tr>
<td>New Bedford</td>
<td>13.2%</td>
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The graph shows the annual average unemployment rate for Massachusetts, the United States, and Abington from 2012 to 2020. The top 5 municipalities with the highest unemployment rate in 2020 are Lawrence, Springfield, Revere, Provincetown, and New Bedford.
## FY2022 Average Single-Family Tax Bill

### Average Single-Family Tax Bill

<table>
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<tr>
<th>Average Single-Family Tax Bill</th>
<th>State Average Single-Family Value</th>
<th>State Number of Single-Family Parcels</th>
<th>Number of Cities &amp; Towns Included</th>
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<td>$6,724</td>
<td>$525,781</td>
<td>1,431,717</td>
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### Interactive Mapping


- **Cities/Towns with the Highest and Lowest Average Single-Family Tax Bill**

  - **Top 10 Highest**
    - Weston: $122,786
    - Brookline: $120,492
    - Lincoln: $118,617
    - Wellesley: $116,999
    - Sharon: $116,760
    - Lexington: $116,413
    - Concord: $116,013
    - Winchester: $115,913
    - Dover: $118,718
    - Belmont: $115,568

  - **Top 10 Lowest**
    - Chatham: $2,994
    - Tolland: $2,317
    - Windsor: $2,320
    - Groton: $2,320
    - Brimfield: $2,288
    - Stoneham: $1,938
    - Monroe: $1,557
    - Florida: $1,501
    - Rains: $1,437
    - Hancock: $807

- **Number of Cities/Towns**
  - Less than $3,000: 22
  - $3,000 to $4,999: 91
  - $4,500 to $5,999: 97
  - $6,000 to $10,499: 124
  - $10,500 to $14,999: 24
  - Over $15,000: 12
  - Tax Rate Not Set: 1
Other Report Styles

Data Analytics and Resources Bureau
Community Comparison Report
Data current as of 08/12/2002

General/Socioeconomic Values by Class Revenues by Source Levy & Rates by Class Prop 2½ Levy Capacity Outstanding Receivables Spending by Function Financial Indicators

Community Comparison - General/Socioeconomic

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Training & Resource Center

Frank Gervasio, Director of Special Initiatives

gervasiof@dor.state.ma.us
Goals

- Create a “one-stop shop” of resources related to municipal finance for local officials and others

- Develop new content (primarily video presentations) to provide both introductory and in-depth reviews of various municipal finance topics
Overview

- First published in January 2020
- 250+ individual resources
  - DLS guidance
  - Manuals
  - Best practice overviews
  - Videos
  - Hands-on tools/calculators
- Recently reformatted
  - Role
  - Process
  - Topic
  - New officials

Introduction to municipal finance

Overview of municipal management
Introduction to Proposition 2 1/2
Teamwork in town government

Additional Resources

- Video: Job responsibilities for the finance committee
  - Accountant/Auditor Responsibilities (PDF 138.67 KB)
  - Assessor Responsibilities (PDF 163.76 KB)
  - Collector Responsibilities (PDF 112.82 KB)
  - Treasurer Responsibilities (PDF 160.84 KB)
  - Role of the Finance Director (PDF 112.38 KB)
Tools and Templates

- Customized for your own community
- Developed by DLS

- Capital planning
- Forecasting
- Financial Indicators Analysis
- Prop. 2 ½ Referendum
- Calculator
- Debt Service Calculator
- Cash Book Template

- Process Workflows
- Residential Exemption Calculator

Municipal Finance Tools and Templates

A collection of tools and templates designed to help municipal finance officials with planning, tracking, and other common tasks.

Municipal Finance Calculators and Templates

- City/Town Appropriation Template (Excel)
- Debt Service Calculator (Excel)
- Treasurer’s Debt Service Schedule (Excel)
- Budget and Tax Rate Planning Tool (Excel)
- Indirect Cost Template (Excel)
- Residential Exemption Calculator (Report)
- Impact of Proposition 2 1/2 Referendum on Property Tax Bill (Report)
- Residential to CIP Shift Calculator (Excel)
- Treasurer’s Cash Flow Budget Tool (Excel)

Capital Targets Template (Excel). The Capital Targets Template helps local officials monitor capital spending goals by providing an easy means to track annual and projected spending on maintenance, equipment, and infrastructure.

Financial Forecasting Template

Financial Forecasting Template - Instructions (PDF) This PDF is the instructional guide that accompanies the Financial Forecasting Template.

Financial Indicators Template A series of videos explaining how to use this template can be found here: Municipal Finance Best Practices Training and Resources
Most popular:

- Introduction to Proposition 2 1/2
- Introduction to DLS
- Introduction to Free Cash
- Capital Planning: Concepts & Process Overview
- Role of the Finance Committee
Assessors’ Modules

- Annual Property Tax Roll
  Massachusetts Division of Local Services

- Assessed Owner
  Massachusetts Division of Local Services

- Assessment Unit
  Massachusetts Division of Local Services

- Assessment Records & Reports
  Massachusetts Division of Local Services

- Setting the Tax Rate: Overview
  Massachusetts Division of Local Services

- Setting the Tax Rate: Calculating the Levy Limit
  Massachusetts Division of Local Services

- Setting the Tax Rate: Calculating the Tax Limit
  Massachusetts Division of Local Services

- Property Tax Exemptions: Exempt Properties
  Massachusetts Division of Local Services

- Property Tax Exemptions: Personal Exemptions
  Massachusetts Division of Local Services
Municipal Finance Webinar Series

- Overview of Municipal Audits, with Office of the Inspector General
- Yarmouth’s Streamlines Tax Rate Recap Process, with Town of Yarmouth
- State House Notes Process
- Mining DLS Property Tax Data for Classification Hearings
- Motor Vehicle Excise Webinar: Tuning Your Motor Vehicle Excise Skills
- The Next Step in Forecasting
- Property Tax Takings Webinar: Process Overview, Best Practices & Affects on Free Cash
- Overview of the Municipal Budget Process
- Free Cash Upload & Walkthrough
- Mass Appraisal Overview
- Excess & Deficiency Upload

Stay tuned for further announcements about upcoming webinars!
Most Requested

- Municipal Finance Training and Resource Center
- Bulletins, Guidelines and Opinions (IGR/BUI/LFO)
- Cherry Sheets and Data Analytics (Database)
- COVID-19 Resources and Guidance for Municipal
- Municipal Accounting Guidance and Oversight (BOA)
Worst and Best Practices
Tony Rassias, Deputy Director of Accounts

rassias@dor.state.ma.us
Best Practices

• Professional procedures that have been accepted as correct

• Have consistently shown superior results than by other means

• May generally be used as a standard for others to follow
Worst Practices

• Are bad to do
• Often show results that land the government in a mess
• Should be avoided
10 Worst Practices

1.) A self-insured health care trust fund that no one knows how to manage

https://www.mass.gov/service-details/municipal-finance-trend-dashboard

2.) An accounting software package that no one knows how to use

- Budget controls
- Internal controls
10 Worst Practices

3.) A computer system requiring a simple character password

- Loss of confidential data or ability to access critical systems
- Ransomware

4.) The belief that reconciliation of cash and receivables is just a waste of time

- For better internal control
- Hinders balancing the books at year-end
- Reconciliations are a responsibility
5.) A town accountant that never read M.G.L. c. 41, § 58

“Whenever any appropriation shall have been expended or whenever, in the judgment of the town accountant, it appears that the liabilities incurred against any appropriation may be in excess of the unexpended balance thereof, he shall immediately notify the selectmen and the board, committee, head of department or officer authorized to make expenditures therefrom, and no claim against such appropriation shall be allowed nor any further liability incurred until the town makes provision for its payment.”

6.) Relying on one-time revenues to fund annual operating costs

- Match on-going expenses with on-going revenues
- Use one-time revenue for one-time costs
- Includes Free Cash and reserves
- DLS Best Practice (https://www.mass.gov/doc/forecastrevenuesandexpenditurespdf/download)
10 Worst Practices

7.) Quick! Hide the Audit!

- Conducted to assure the public that an independent authority is reviewing financial health and practices
- Identifies areas for improvement
- Reviews internal control procedures to minimize the risk of errors or fraud
- Overview of Municipal Audits Webinar (Video) - DLS Training & Resource Center

8.) An accounting software conversion in mid-June

- Regularly glitches
- Need time to determine if everything is running as expected
- Don’t do at the end of the fiscal year when the books are closing
- Any software conversion should be scheduled timely
10 Worst Practices

9.) Balancing the budget by stretching the estimated receipts and clipping the overlay

- View local receipt historical act vs bud
- Overlay must be sufficient to cover abatements and exemptions
- Guidelines Related to Overlay and Overlay Surplus (IGR2017-23, PDF)

10.) Foregoing the money because the paperwork seems too difficult to complete by the deadline

- State and Federal grants
10 Best Practices

1.) Ensuring that a Financial Team is in place and communicating effectively.
   - Manager/Mayor, accountant/auditor, collector/treasurer, assessor, clerk, IT
   - Communicate collectively and cooperatively
   - Operate together as a unit

2.) Maximizing use of technology and managing systems effectively
   - Nearly all daily functions rely on IT
   - Safeguard public and confidential data
   - Protect against malware and ransomware
   - Keep system operations up-to-date
3.) Staying educated in your profession

- Be active in professional associations (e.g., MMA, MMAAA, MCTA, MAAO)
- Watch for DLS guidance
- Advocate for professional development funds in budget
- Keep staff educated
- Sharpen professional skills

4.) Identifying and reducing risk factors

- Finance
- Workplace safety
- Data security
- Deferred maintenance
- Emergency Prep
- Legal judgments
10 Best Practices

5.) Performing a fiscal wellness check-up

- Trend data over multi-FY’s
- Use standard financial metrics
- May discover inefficiencies
- Contact DLS’s Financial Management Resource Bureau
- [https://www.mass.gov/service-details/municipal-finance-trend-dashboard](https://www.mass.gov/service-details/municipal-finance-trend-dashboard)

6.) Using realistic revenue and expenditure assumptions for operating and capital budget forecasts

- Provides short-term budget stability and long-term capital planning
- Ensures accuracy, transparency, accountability in data and cooperation among departments
- Lessens possibility of “surprises”
10 Best Practices

7.) Developing and following a set of financial policies

• Using and replenishing reserves
• Save for capital investment
• Managing debt levels
• Use of Free Cash and Stabilization Funds
• https://www.mass.gov/municipal-finance-best-practices

[Graph showing debt service and debt exclusion for FY16 to FY22]
8.) Providing strong leadership

- Serving as an example
- Hiring the best people (offer salaries commensurate with position and ability)
- Following the rules of law and procedure
- Encouraging new ideas and innovations
- Listening to feedback
- Providing accurate information timely
- Acting professionally
9.) Managing personnel

- Largest cost center
- Need employees to deliver core services
- Develop human resource guidelines
- Provide resources for cross-training to avoid “single points of failure”
- Evaluate benefit structure balancing ability to pay with need to attract
10 Best Practices

10.) Contacting the Division of Local Services for further guidance

- Subject matter experts
- Publications
- Website/Training & Resource Center
- List of BOA and BLA field reps

The Bureau of Accounts oversees the financial management of municipalities within the Commonwealth.

https://www.youtube.com/watch?v=4x7qq_dbkIQ
So those are my lists. Are there more best practices? For sure! Are there more worst practices, unfortunately. So, find more good ones and get rid of the bad ones and be a good public servant!

Thanks for watching and listening!