



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Supporting a Commonwealth of Communities

Financial Policies Workshop

Agenda



-
- Introduction and Goals
 - Policy Manual Overview
 - Financial Planning Policies
 - Policy Scope/Applicability
 - Things to Consider
 - Financial Targets
 - Financial Operations Policies
 - Policy Scope/Applicability
 - Things to Consider
 - Fiscal Calendar
 - Adoption and Implementation
 - Wrap up and Resources
-

Template Format Guide

[Position, Title, or Entity Fill-In]

- CAO
- Financial Officials
- School Officials
- Advisory Committees
- Boards & Committees

Text highlighted in **blue** indicates a position, title, or official group your community should identify according to the tasks and responsibilities within the policy.

[Municipality-Specific Elements]

- Enterprise Fund
- Community Preservation Commission
- Regional Schools
- Paper vs electronic invoice submissions
- Payroll procedures

Purple highlights are inserts that may or may not be applicable to your government structure and operations. Some elements will be specific to different processes or procedures, which the community should enter or select accordingly.

[Municipality-Dependent Detail]

- Monetary thresholds
- Financial targets
- Timeframes
- Software Systems

Text highlighted in **yellow** indicates a policy detail that is subject to community choice and should be reviewed and determined by policy-makers.

Financial Planning

- Annual Budget
- Capital Planning
- Debt Management
- Financial Reserves
- Forecasting
- OPEB

Annual Budget Process

Scope & Applicability



Coordination, development, and adoption processes for the annual omnibus budget, encompassing the operating, enterprise fund, and capital budgets

Key Players

Boards & Committees

Responsibilities

Deciding budget goals, objectives, and guidelines
Reviewing proposed budgets and making recommendations

Groups

- Select Board
- Finance Committee
- School Committees
- CPC or Enterprise Boards

Internal Officials

Responsibilities

Gathering requests, developing budget, coordinating budget discussions internally & externally

Positions

- Town Administrator or Manager
- Chief Financial Officer
- Finance Director
- Accountant

Departments

Responsibilities

Developing and submitting departmental budget requests

Positions

- All managers responsible for the oversight and expenditure of a departmental budget

Annual Budget Process

Budget Calendar

Setting the Stage [Fall]

- Develop Select Board goals & objectives
- Hold joint kick-off meeting(s)
 - Select Board
 - Finance Committee
 - School Committees & Officials
- Present the current forecast
- Distribute budget guidelines

Reviewing and Recommending [Winter - Spring]

- Review with individual & joint committees
 - Finance committee
 - Committees related to capital development
- Finalize board & committee recommendations
- Communicate to the public

Developing the Budget [Winter]

- Solicit departmental budgets
- Incorporate budget goals & objectives
- Communicate with departments
- Review budget submissions
- Compile budget submissions

Creating & Publishing the Budget Document [Spring]

- Compile budget document
 - Budget message
 - Capital Plan
 - Financial Analysis
- Present at Town Meeting

Annual Budget Process

Things to Consider

Governing Documents

- Charter & Bylaws
- Board & Committee Policies
- Select Board Goals & Directives
- Budget Document/Process

- What documents reference the budget process?
 - Charter and bylaws
 - Board or committee policies
- Are budget goals or decision-points defined specific to your community?
 - What are the timeframes and deliverables?
- Do officials understand their roles in the budget process?
 - How is the budget process assigned to internal staff versus boards & committees?
- What is the relationship with the school committee and school officials regarding the budget process?
 - Is the school budget process integrated into the budget schedule?
- Does your community publish a comprehensive budget document?

Annual Budget Process

Things to Consider - Continued

- ❑ What other boards or committees contribute to the budget process?
 - Enterprise, Community Preservation Fund, etc.
- ❑ How are enterprise funds integrated within the budget?
 - Is the enterprise funding policy understood? (self-sufficient, budgeted surplus, budgeted surplus)
 - Are the indirect costs covering included in the budget?
- ❑ Are the user fees sufficient to cover enterprise fund expenditures?
- ❑ Are officials receiving timely appropriation and expenditure reports to monitor the budget?
 - Is there a process of identifying and addressing potential deficit spending?

Complementary Policies

Financial Targets

Capital Planning

- What is your community's target for capital expenditures?
 - Is a dollar or percentage threshold more appropriate?
- What are the funding sources for the capital plan?
 - How are capital expenses divided between cash versus borrowings?

Debt Management

- What is your community's philosophy on borrowing/debt?
 - How frequently does your community borrow?
 - Is there a strategy for debt service within levy versus excluded?
- How is debt incorporated into the capital plan?
- What happens to retired debt service?

Financial Reserves

- What reserves does your community have?
 - Are there target levels and expenditure criteria for each category?
- How are reserves incorporated into the capital plan?

Capital Planning

Scope & Applicability

Scope



Guidance for planning, reviewing, and coordination of the acquisition and maintenance of capital improvements.

Key Players



Boards & Committees

Responsibilities

Developing the capital budget
Reviewing, prioritizing, and making recommendations on proposed capital projects/needs

Groups

- Select Board
- Finance Committee
- Capital Committee
- Community Preservation Committee

Internal Officials

Responsibilities

Gathering capital requests, developing CIP, analyzing funding strategies & decisions

Positions

- Town Administrator or Manager
- Finance Director
- Chief Financial Officer
- Accountant

Departments

Responsibilities

Developing and submitting departmental capital requests

Positions

- All Department Heads responsible for the oversight and expenditure of a capital project

Capital Planning Process

Capital Budget Calendar

Setting the Stage

- Update capital asset inventory
- Identify departmental capital needs
- Determine budgetary guidelines
- Hold joint informational meeting(s)
 - Select Board
 - Finance Committee
 - School Committee
 - Capital Planning Committee

Review and Recommendations

- Finalize recommendations & funding strategy
- Present capital budget & multi-year plan to individual & joint committees

Developing the Capital Plan

- Distribute capital budget directives
- Submit current and multi-year capital needs
- Review capital requests internally
- Compile & prioritize capital submissions
- Determine funding sources

Finalizing the Capital Plan

- Create the multi-year capital plan
- Communicate to the public
- Present to legislative body for approval

Capital Planning

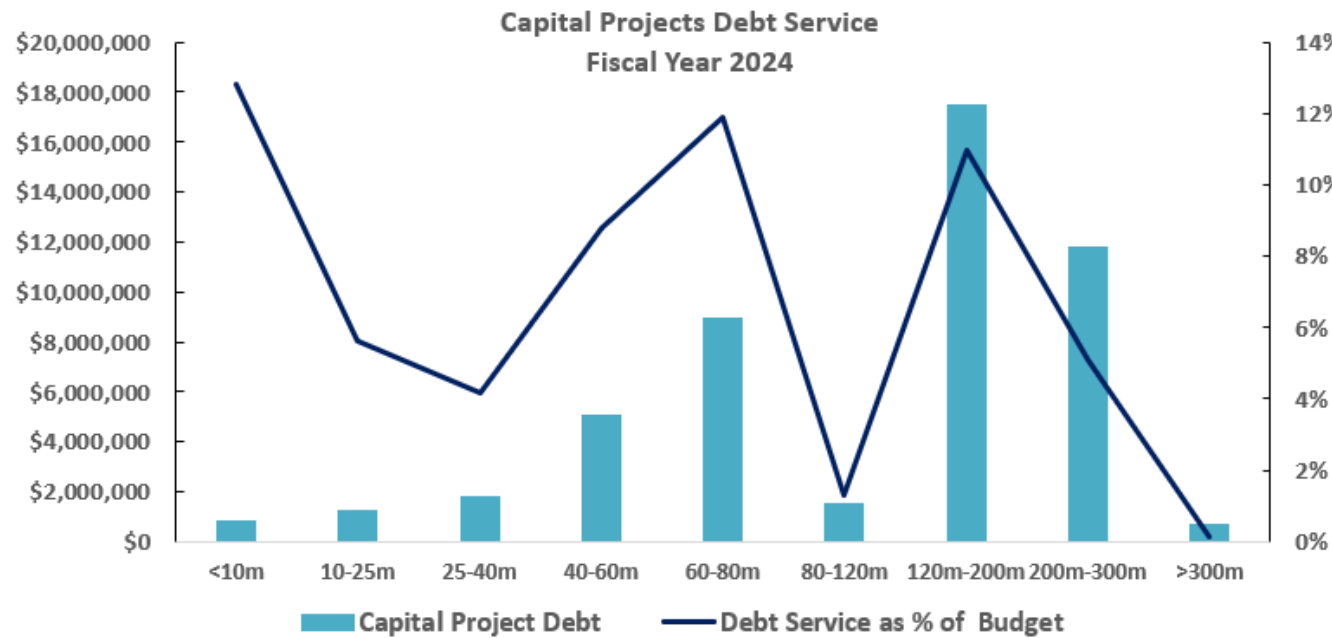
Things to Consider

Governing Documents

- Charter & Bylaws
- Board & Committee Policies
- Select Board Goals & Directives
- Capital Improvement Plan
- Capital Asset Inventory
- Budget Document/Process

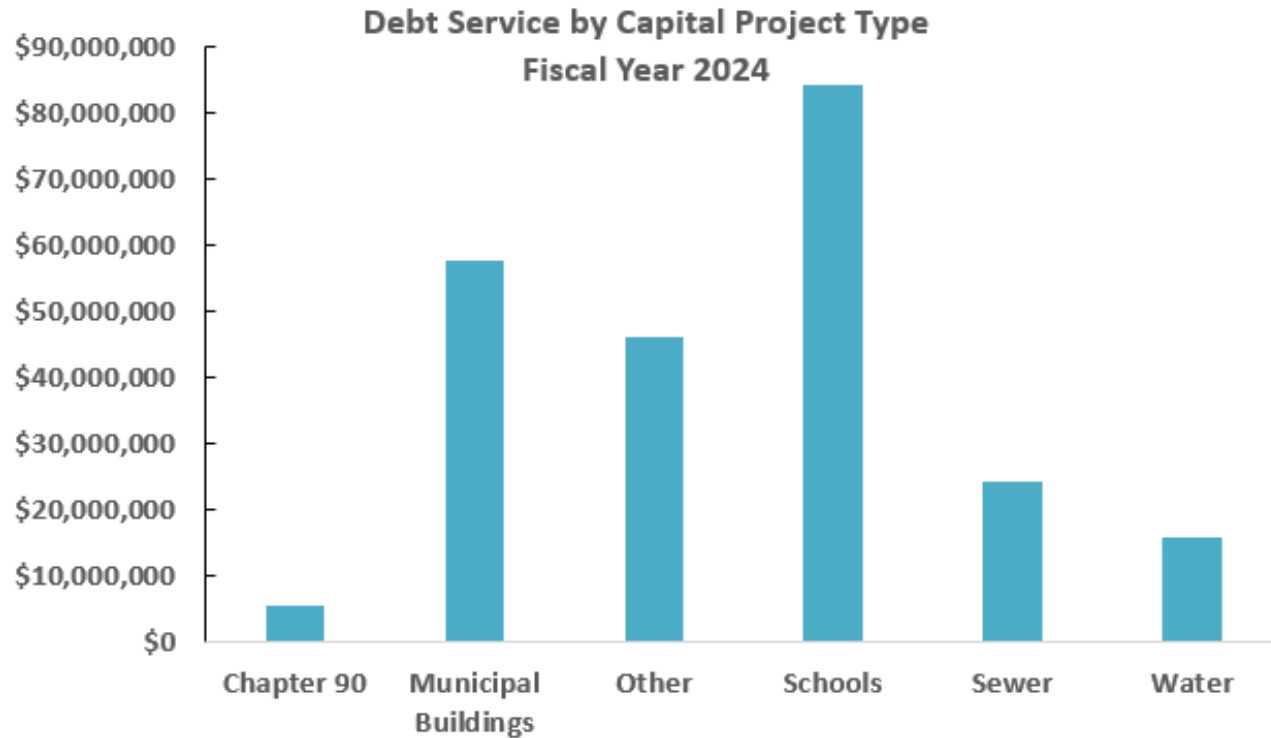
- What are the capital goals or targets specific to your community?
- What is your community's definition of a capital asset or project?
 - Distinction between capital plan versus departmental budget?
- Who is charged with developing, delivering, and maintaining the capital plan?
 - How is capital planning assigned to/divided among internal staff and boards & committees?
 - Who is charged with maintaining the capital asset inventory?
 - Does everyone understand their roles in the capital plan development process?
- How is priority reviewed and finalized during the process?
- What is the funding strategy?
 - What capital projects should be considered for debt or capital exclusions?
- How are school capital needs factored into the capital plan?

Capital Debt



General Fund Budget	Communities	Capital Project Debt Total	Average	Average Total FY2025 Budget	Debt Service as % of Budget
<10m	7	5,647,287	806,755	6,285,284	12.84%
10-25m	4	5,062,838	1,265,710	22,567,730	5.61%
25-40m	9	15,831,002	1,759,000	42,022,698	4.19%
40-60m	8	40,690,726	5,086,341	57,895,837	8.79%
60-80m	6	53,519,013	8,919,836	75,151,424	11.87%
80-120m	7	10,514,123	1,502,018	116,697,669	1.29%
120m-200m	5	87,248,607	17,449,721	159,333,487	10.95%
200m-300m	1	11,810,948	11,810,948	232,299,671	5.08%
>300m	2	1,350,071	675,036	523,965,280	0.13%

Capital Debt



Project	Communities	Debt Service	
		Total	Average
Chapter 90	1	5,120,000	5,120,000
Municipal Buildings	12	57,407,334	4,783,945
Other	30	45,726,232	1,524,208
Schools	11	84,099,292	7,645,390
Sewer	14	23,836,515	1,702,608
Water	15	15,485,242	1,032,349

Debt Management

Scope & Applicability

Scope  All short- and long-term debt obligations as permitted to be issued under state law

Boards & Committees

Responsibilities

Assessing budget decisions as related to proposed and existing Town debt obligations

Groups

- Select Board
- Finance Committee
- Capital Committee

Key Players



Internal Officials

Responsibilities

Analyzing debt strategy as related to criteria, structure, and funding
Overseeing debt obligations

Positions

- Town Administrator or Manager
- Finance Director
- Chief Financial Officer
- Accountant
- Treasurer

Debt Management

Things to Consider

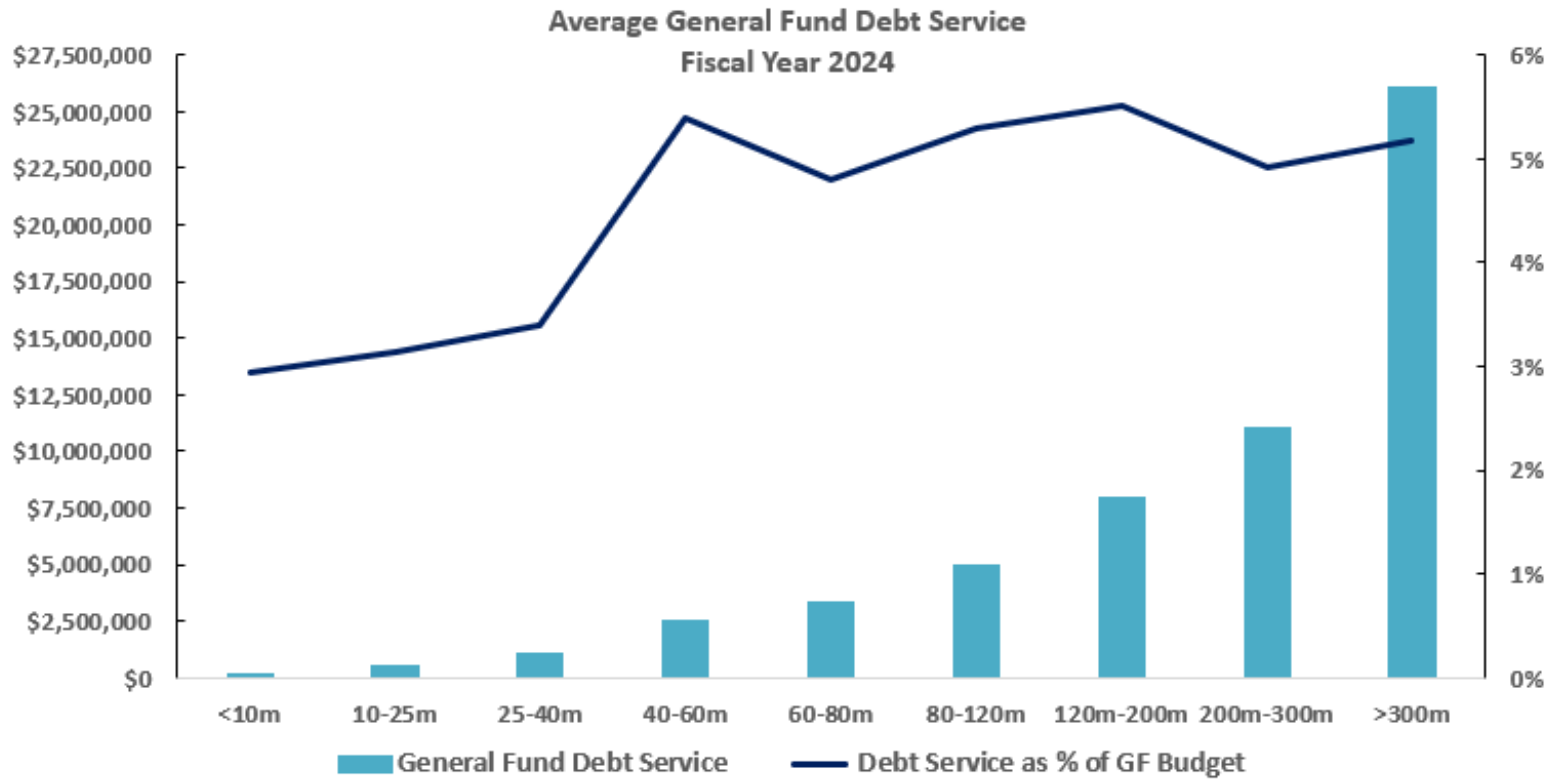
Governing Documents

- Charter & Bylaws
- Select Board Goals & Directives
- Capital Improvement Plan
- Financial Forecast
- Related Policies

- Are there specific debt goals or targets?
 - Do the targets match the goals of other financial policies?
- Does your community have preferred borrowing strategies?
 - Within levy, excluded, self-supporting, etc.
- What is your community's threshold for borrowings?
- Is regional or shared debt incorporated into the budget outlook?
- Is there a debt service target maintained within the budget?
 - What happens to retired debt service?
- Are debt amortization schedules appropriate for the useful life of the projects or assets?
- Do you have a financial advisor?
- Does your community have a bond rating?
 - How is your community protecting its bond rating?
- How is your community utilizing bond premiums?

Debt Targets

General Fund Debt Service

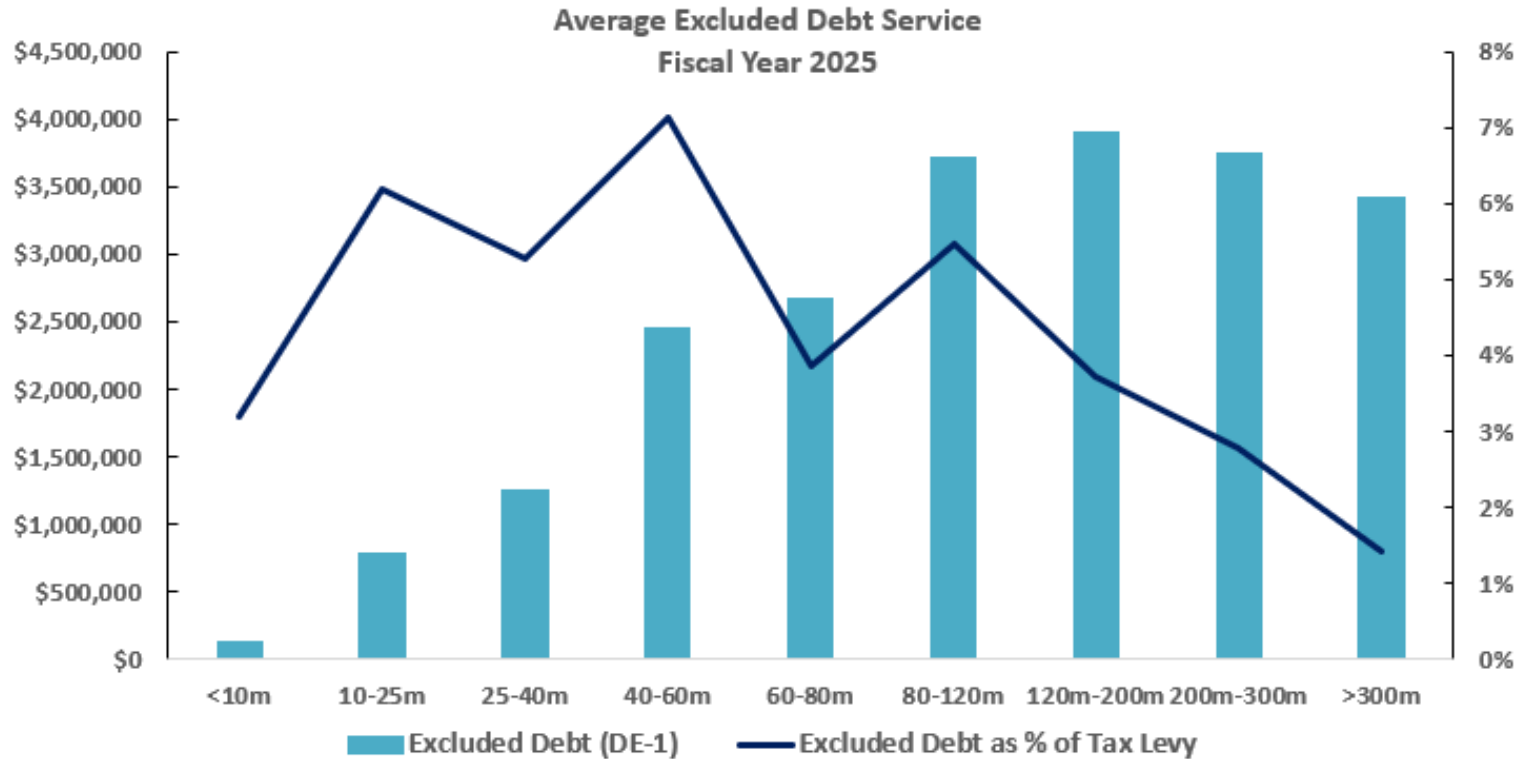


FY2025 General Fund Budget	General Fund Debt Service	Debt Service as % of GF Budget
<10m	147,951	2.94%
10-25m	521,940	3.14%
25-40m	1,063,262	3.40%
40-60m	2,565,758	5.38%
60-80m	3,323,842	4.80%
80-120m	4,968,990	5.30%
120m-200m	7,959,013	5.51%
200m-300m	11,011,682	4.92%
>300m	26,049,409	5.17%

Exclusive of Boston

Debt Targets

Excluded Debt Service



FY2025 General Fund Budget	Excluded Debt (DE-1)	Excluded Debt as % of Tax Levy
<10m	118,275	3.18%
10-25m	784,411	6.18%
25-40m	1,249,866	5.26%
40-60m	2,457,483	7.14%
60-80m	2,672,345	3.86%
80-120m	3,712,124	5.48%
120m-200m	3,904,314	3.71%
200m-300m	3,748,295	2.77%
>300m	3,414,706	1.40%

Exclusive of Boston

Financial Reserves

Scope & Applicability

Scope

Goals for and appropriate use of general fund reserves, including free cash, stabilization funds, and overlay surplus

Boards & Committees

Responsibilities

Strategizing and decision-making to assure the Town's financial stability against economic challenges

Groups

- Select Board
- Finance Committee
- Capital Committee
- Board of Assessors
- School Committee

Key Players

Internal Officials

Responsibilities

Analyzing budgetary decisions regarding reserve expenditures and appropriations

Positions

- Town Administrator or Manager
- Finance Director
- Chief Financial Officer
- Assessor

Financial Reserves

Key Principles

Governing Documents

- Charter & Bylaws
- Select Board Goals & Directives
- Capital Improvement Plan
- Budget Document/Process
- Financial Forecast
- Related Policies

- Use non-recurring revenues for one-time expenses
 - Appropriate free cash to capital, other reserves
 - General stabilization for emergency or unexpected events [2/3 vote]
 - Special purpose funds for approved purposes only [majority vote]
- Establish real world dollar value proportionate to budget
- Build reserves in coordination with the capital plan
- Build retained earnings in anticipation of enterprise infrastructure projects
- Understand the components of free cash
 - Monitor and analyze the contributing sources
 - Reasonable targets for estimated receipts
 - Review recurring surpluses

Financial Reserves

Things to Consider – Free Cash

- ❑ What free cash target level is appropriate for your community?
 - How well does this translate to real-world dollar value?
 - What is the plan if free cash is consistently above target level? (over-taxation)
- ❑ What are the components contributing to free cash?
- ❑ How does your community use free cash?
 - Cash capital, non-capital articles, to other reserves, OPEB, leave unappropriated
 - How much of the capital plan funding is dependent on free cash?
 - How is free cash in excess of target level allocated?
- ❑ Does your community annually appropriate free cash to fund operating costs?
 - Reducing the tax rate is using free cash to fund the budget!

Financial Reserves

Things to Consider - Stabilization

- What stabilization targets levels are appropriate for your community?
 - General and special purpose?
- What are the sources used to build the general stabilization fund?
 - How often is there an appropriation or transfer to this fund?
- For what purposes are appropriations made from the general stabilization fund?
 - Is this fund used to operating costs?
- Does your community have a capital stabilization fund?
 - Does the target level match the goals of the capital policy?
- Does your community have other special purpose stabilization funds?
 - How is the establishment of these funds determined?
 - How are they funded?
- Are specific revenues designated to build any of the stabilization funds?

Financial Reserves

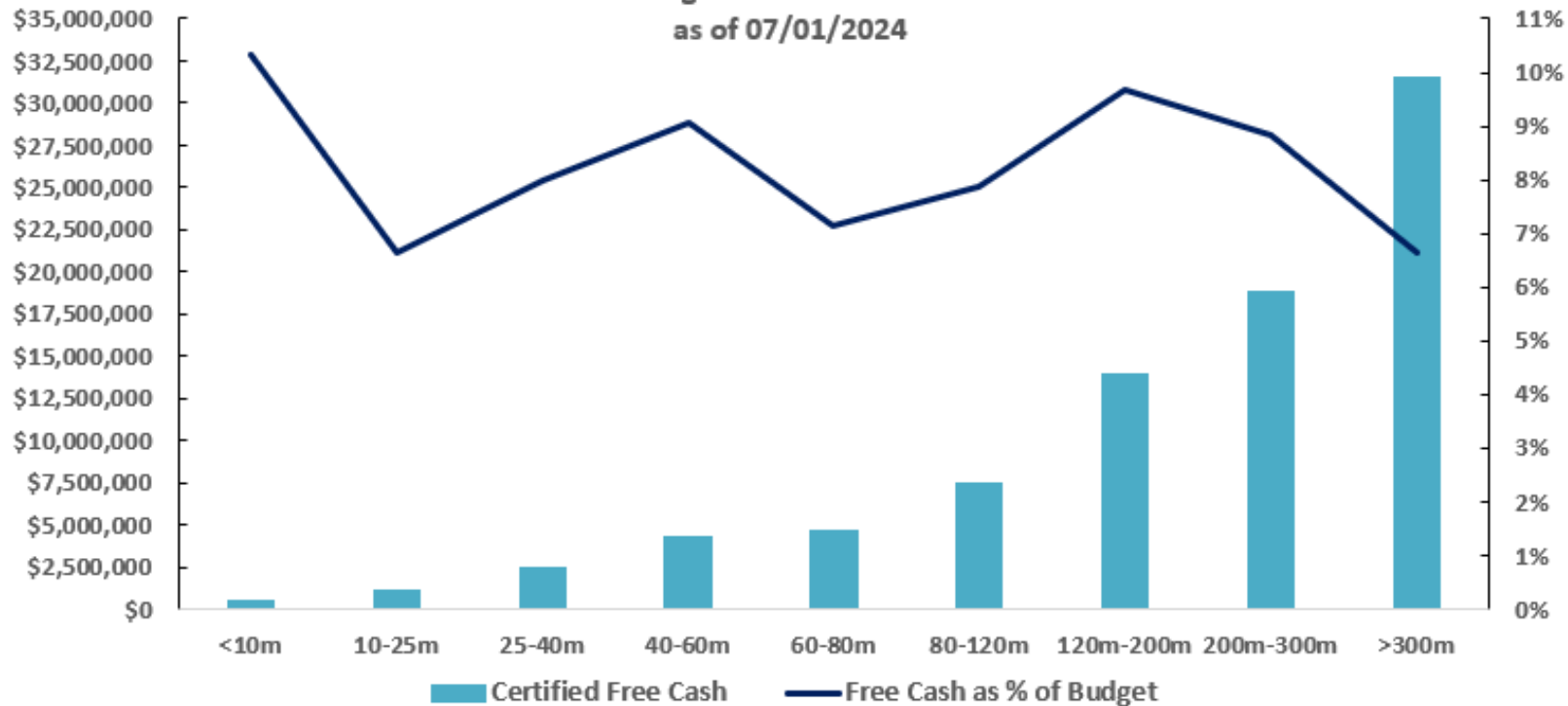
Things to Consider - Other

- What additional reserves does your community have?
 - Receipts reserved for appropriation (ex: cemetery, ambulance, etc.)
 - Revolving funds
 - Overlay reserves
 - School-related funds (ex: special education reserve)
 - Enterprise Fund retained earnings
 - Community Preservation Fund
- Which of these funds have target levels?
 - How are these targets determined? By whom?
- How often is the overlay reserve reviewed for surplus?
 - How does the Board of Assessors determine the annual liability?
- Does your community annually appropriate reserves to fund operating costs?

Financial Reserve Targets

Free Cash

Average Certified Free Cash
as of 07/01/2024

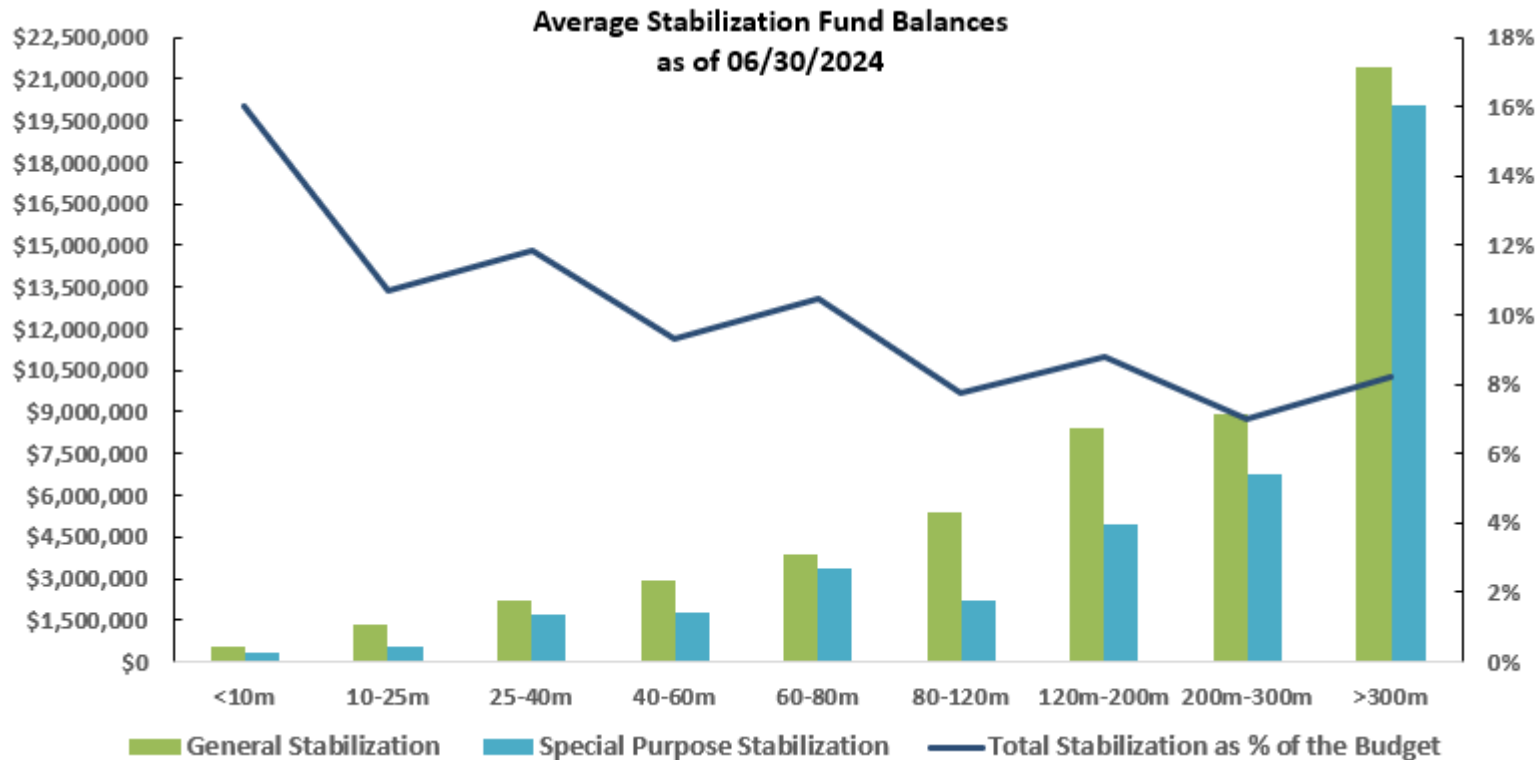


FY2025 General Fund Budget	Certified Free Cash	Free Cash as % of Budget
<10m	518,850	10.32%
10-25m	1,104,544	6.65%
25-40m	2,498,058	7.99%
40-60m	4,316,594	9.06%
60-80m	4,687,778	7.15%
80-120m	7,392,802	7.89%
120m-200m	13,975,261	9.68%
200m-300m	18,759,958	8.83%
>300m	31,520,363	6.66%

Exclusive of Boston

Financial Reserve Targets

Stabilization Funds



FY2025 General Fund Budget	General Stabilization as % of Budget	Special Purpose as % of Budget	Total Stabilization as % of Budget
<10m	10.15%	5.88%	16.03%
10-25m	7.66%	3.06%	10.72%
25-40m	6.71%	5.15%	11.87%
40-60m	5.86%	3.46%	9.33%
60-80m	5.60%	4.87%	10.47%
80-120m	5.51%	2.26%	7.77%
120m-200m	5.52%	3.26%	8.78%
200m-300m	3.98%	3.02%	7.00%
>300m	4.25%	3.97%	8.22%

Exclusive of Boston

Forecasting

Scope & Applicability

Scope



Creation, revision, and year-to-year conversion of a multiyear forecast of revenues and expenditures as part of the annual budget process and guidelines for formulating the assumptions that form the basis for forecast projections

Boards & Committees

Responsibilities

Budget analysis and decision-making based on forecasted revenues and expenditures

Groups

- Select Board
- Finance Committee
- Budget Committees
- School Committees
- Enterprise Officials

Internal Officials

Responsibilities

Analyzing historical and future trends in relation to budget needs

Positions

- Town Administrator or Manager
- Finance Director
- Chief Financial Officer
- Accountant
- Assessing Official

Key Players



Forecasting:

Things to Consider

Governing Documents

- Charter & Bylaws
- Select Board Goals & Directives
- Budget Document/Process
- Wage-related documents
- Related Financial Policies

- Are there budget goals or assumptions specific to your community that factor into the forecast?
 - Local receipts, state aid, new growth, excess capacity, etc.
- Are expenditure projections in line with policy targets?
 - Personal services, debt, reserves, OPEB, capital, etc.
 - Factoring only known increases due to a compensation plan, individual contracts, or CBAs
- Are regional school commitments incorporated into your forecast?
 - Assessments, debt, transportation, etc.
- Are other regional or shared service agreements factored into the forecast?
- Have all relevant personnel been included in the discussion?
 - Enterprise officials, trustee boards, shared service providers, etc.
- Is there a process for identifying recurring deficits or surpluses?

Other-Post Employment Benefits Liability

Scope & Applicability

Scope



Budget decisions related to the Town's OPEB liability and liability mitigation

Boards & Committees

Responsibilities

Budget decision-making in relation to the Town's OPEB liability

Groups

- Select Board
- Finance Committee
- Enterprise Officials
- Investment Advisors

Internal Officials

Responsibilities

Analyzing benefit data and investment options

Positions

- Town Administrator or Manager
- Finance Director
- Chief Financial Officer
- Accountant
- Treasurer

Key Players



Other-Post Employment Benefits Liability

Things to Consider

Governing Documents

- Charter & Bylaws
- Select Board Goals & Directives
- PRIM Documents
- Related Policies

- Has your community adopted M.G.L. c. 32B, § 20?
 - If adopted prior to 2016, has the statute been readopted?
- Does your community have funding goals for the OPEB liability?
 - Sources
 - Target
 - Timeframe
- Where is your community's OPEB trust fund invested?
 - Are the appropriate officials receiving timely financial reports?
 - How often are the investments and investment strategy reviewed? By whom?
- Is the enterprise operation contributing to OPEB?

Financial Operations

- Disbursements
- Gifts of Funds
- Grant Management
- Reconciliations
- Revenue Turnover
- Year-End Closing

Disbursements

Scope & Applicability

Scope



Guidelines for managing requests for and disbursements of Town funds to pay accounts payable liabilities and to compensate employees through payroll

Boards & Committees

Responsibilities

Approving warrants for the disbursement of Town funds

Groups

- Select Board
- Town Administrator or Manager (by charter or special act)
- School Committee

Key Players



Internal Officials

Responsibilities

Documenting and processing expenditures, and disbursing Town funds

Positions

- Accountant
- Treasurer
- Payroll & Human Resources Staff
- Department Heads

Disbursements

Things to Consider – Accounts Payable

Governing Documents

- Charter & Bylaws
- Board & Committee Policies
- Related Policies

- What is the disbursement process?
 - Departmental input or centralized in the Accounting office?
 - Purchase orders? (town or school)
 - If yes, what are the threshold amounts and approval process?
 - Document flow? (electronic, paper)
- How often are AP warrants processed?
 - Are the town and school on the same AP warrant cycle?
- Are there internal controls regarding online purchases?
- Which office is responsible for printing checks?
- Who is the statutory authority for warrant approval?
 - Has any signatory authority been legally dedicated to a town official?

Disbursements

Things to Consider - Payroll

Governing Documents

- Charter & Bylaws
- Board & Committee Policies
- Classification Schedules
- Contracts
- Employee Handbook or Guidelines
- Related Policies

- What financial official is responsible for payroll?
 - How does the school payroll factor into the process?
- What payroll software is used?
 - How does data/information interface between the payroll system and the financial system?
- How is employee time recorded and submitted?
 - Electronic/paper?
 - Approval process?
 - How are accruals recorded, reported, and reconciled?
- Does your community have a Human Resource department?
 - If not, what department(s) handle HR duties?
 - How are relevant HR matters communicated to payroll staff?
 - What is the document flow for updating employee information? (electronic, paper) Ex: payroll change form to accounting, sent to treasurer to update payroll database
- Are any physical checks printed from payroll?

Gifts of Funds

Scope & Applicability

Scope



Managing, expending, and accounting of gift funds and all receipts of monetary gifts to the Town

Boards & Committees

Responsibilities

Accepting funds gifted to the Town
Approving expenditures of gift funds

Positions

- Select Board
- School Committee
- Elected Boards
(e.g. Parks & Recreation)

Key Players



Internal Officials

Responsibilities

Accepting, managing, accounting for,
and reporting on gift funds

Positions

- Chief Financial Officer
- Finance Director
- Accountant
- Treasurer
- Department Heads

Gifts of Funds

Things to Consider

Governing Documents

- Charter & Bylaws
- Board & Committee Policies
- Related Policies

- Are monetary gifts aligned with the community's goals?
- Is your community following best practices in gift accounting?
 - Are gifts recorded separately and tracked in the general ledger?
 - Is proper documentation on file?
 - Are expenditures according to the gift purpose?
 - Are the gift funds deposited in the general depository account?
- What are the internal controls to ensure gift donations and fundraising comply with the state's Ethics Code?

Grant Management

Scope & Applicability

Scope



Evaluation, monitoring, and processing of grant applications and received grant funds

Boards & Committees

Responsibilities

Reviewing and approving grant applications and expenditures of grant funds

Positions

- Select Board
- School Committee

Key Players



Internal Officials

Responsibilities

Managing, accounting for, and reporting on gift funds

Positions

- Town Administrator or Manager
- CFO or Finance Director
- Accountant
- Treasurer
- Department Heads
- Town Counsel

Grant Management

Things to Consider

Governing Documents

- Charter & Bylaws
- Board & Committee Policies
- Related Policies

- Are the grants aligned with the community's goals?
- What is the process for requesting grants that require matching funds or in-kind contributions?
- Is your community following best practices in grant accounting?
 - Are grants recorded separately and tracked in the general ledger?
 - Is the grant documentation on file in the accounting office?
 - Is the Assistance Listing (AL) title and number on file for all federal grants?
 - Are expenditures according to the grant purpose?
 - Are grant personnel expenditures recorded properly in payroll?
 - Is there a process in place for requesting reimbursement?
 - Are the grant funds deposited to the bank appropriately?
- Is there a process in place when grants are closed or completed?

Reconciliations

Scope & Applicability

Scope



Periodic reconciliations of departmental cash, receivables, payroll, and special revenue fund records and related departmental records with the general ledger

Key Players



Internal Officials

Responsibilities

Maintaining independent department records of office transactions
Ensuring accuracy of financial records

Positions

- Finance Director
- Accountant
- Treasurer
- Collector
- Payroll Staff
- Special Revenue Fund Officials

Reconciliations

Things to Consider

Governing Documents

- Charter & Bylaws
- Related Policies

- ❑ What is the status of your community's financial reconciliations?
 - Cash, receivables, special revenue accounts, general ledger
 - Are uncommitted receivables included? (ambulance, details, etc.)
 - When and how are payroll withholdings reconciled?
- ❑ What is the oversight for the reconciliation process?
 - Is the process to review reconciliations and identify discrepancies defined?
 - Are the reconciliation timeframes consistent with DLS recommendations?
 - Are reconciliations a standing agenda item for financial team meetings?
- ❑ Is the community's software being used for efficiently in reconciling?
- ❑ Are grants reconciled timely and consistent with reimbursement requests and grant management policy?

Revenue Turnover

Scope & Applicability

Scope



Guidelines for managing all forms of payment received by Town departments for taxes, excises, fees, charges, and intergovernmental receipts, from the departmental level through Treasury and Accounting duties

Key Players



Internal Officials

Responsibilities

Payment management and ensuring accuracy of financial records

Positions

- Finance Director
- Accountant
- Treasurer
- Collector
- Department Heads
- Relevant Staff

Revenue Turnover

Things to Consider

Governing Documents

- Charter & Bylaws
- Related Policies

- ❑ What is the turnover process?
 - Are there documented receipt handling procedures?
 - What are the monetary thresholds for departmental turnovers?
 - What are the timeframes for turnovers?
 - How are these timeframes enforced?
 - Are receipts provided for payments?
 - Are turnovers verified and signed at point of submission?
- ❑ Do departments input receipt data or is it centralized in the Treasury office?
 - Is there a combination of these processes?
 - What is the document flow? (electronic, paper)
- ❑ How and when are electronic receipt turnovers submitted? (credit card and online)
 - Who is reconciling the receipt information? (turnover to bank)

Revenue Turnover

Things to Consider - Continued

Governing Documents

- Charter & Bylaws
- Related Policies

- What is the schedule for Treasury to transmit revenue data to Accounting?
 - What is the process for posting the revenue information to the general ledger?
- How and when are receipts recorded into the cashbook?
- What is the bank deposit schedule?
 - Do any departments deposit directly to the bank? (school, recreation)
- What is the penalty fee for insufficient funds?
 - How is the fee applied?
 - What is the notification and re-collection process?
- What offices have cash drawers?
 - What are the internal controls for these?
- Are departmental cash management procedures audited?
 - By whom?
 - How often?

Year-End Closing

Scope & Applicability

Scope



Management of tasks necessary to close the fiscal year's books, complete required annual reports, and process year-end appropriation transfers

Boards & Committees

Responsibilities

Reviewing and approving budget transfers

Groups

- Select Board
- Finance Committee

Key Players



Internal Officials

Responsibilities

Timely and accurately completing year-end tasks

Positions

- Town Administrator or Manager
- Finance Director
- Accountant
- Treasurer
- Collector
- Department Heads

Year-End Closing

Things to Consider

Governing Documents

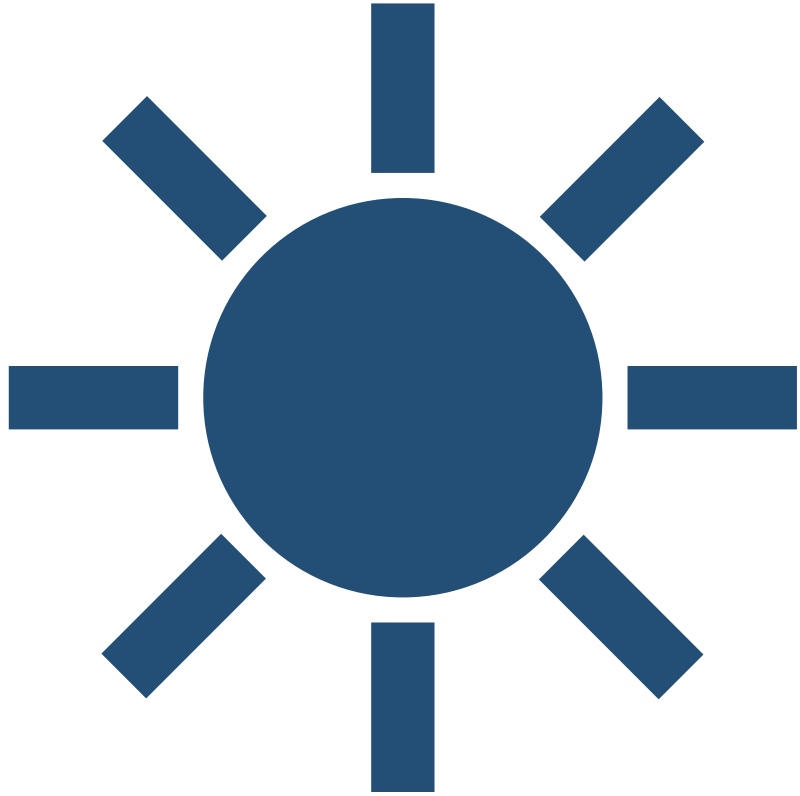
- Related Policies

- Do all officials and department heads understand the schedule for the year-end closing process?
 - Does this timeframe align with fiscal year end deadlines?
 - Is this schedule communicated to all departments and boards?
 - Will all reconciliations be completed for year-end?
 - Do board and committee meeting schedules align?
- Will the Accountant be able to resolve account deficits before year-end?
 - Will grant reimbursements, year-end and reserve fund transfers, borrowings be completed?
 - Have prior year deficits that negatively impact free cash been resolved?
- Is there a process for identifying and resolving accounts with recurring deficits or surpluses?
 - Is this in line with other financial planning policies?
- Does your community have a target date for certifying free cash?
 - Does this policy meet this date?

Next Steps

- Complete policy document draft
- Share the draft with all financial officials for review and buy-in
- Finalize policy document for adoption
- Adopt by Select Board
- Implement policies across departments
- Review 6 months after initial implementation to gauge effectiveness
- Establish an annual review of policy document





THANK YOU!

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