

## REVOLVING FUNDS FOR NON-SCHOOL DEPARTMENT PROGRAMS

The purpose of this chart is to provide general information about revolving funds allowed by Massachusetts law. It is not designed to address all questions or issues about the listed funds. Nothing contained in the chart changes the laws that authorize and govern these funds.

A revolving fund separately accounts for specific revenues and earmarks them for expenditure by a board or officer without appropriation for particular purposes to support the activity, program or service that generated the revenues. Typically, revolving funds are authorized by state law for programs or services with expenses that (1) fluctuate with demand and (2) can be matched with the fees, charges or other revenues collected during the year. Local acceptance, if required by statute, is by vote of the municipality's legislative body, subject to charter. [G.L. c. 4, § 4.](#)

The board or officer with authority to spend from a revolving fund can only incur liabilities and spend from the available, unspent and unencumbered balance of actual collections.

REVOLVING FUND	LOCAL ACCEPTANCE	TOWN MEETING/ CITY COUNCIL ACTION	DEPARTMENT/ ACTIVITIES	MUNICIPAL SALARIES	CAPITAL ITEMS/ DEBT SERVICE	STATUTORY SPENDING CEILING	REVENUE SOURCE	INTEREST	FUND BALANCE	OTHER ACCOUNTING PROCEDURES	REPORTS	OTHER
ANNIVERSARY AND SPECIAL EVENT CELEBRATION <a href="#">G.L. c. 44, § 53I</a>	NO	ANNUAL APPROPRIATION FOR 5 YEARS PRECEDING ANNIVERSARY OR SPECIAL EVENT	ACTIVITIES AND PROGRAMS TO CELEBRATE (1) 200, 250, 350 OR ANY SEMICENTENNIAL ANNIVERSARY OF SETTLEMENT OR INCORPORATION; OR (2) ANY SPECIAL EVENT SPONSORED BY CITY OR TOWN	YES	NOT PROHIBITED	NONE	APPROPRIATIONS; RECEIPTS FROM SALE OF COMMEMORATIVE ITEMS; AND ADMISSION CHARGES FOR COMMEMORATIVE CEREMONIES OR EVENTS	REVOLVING FUND	CLOSES TO GENERAL FUND AFTER CELEBRATION ACTIVITIES COMPLETED			FUND MAY BE SPENT BY MAYOR, CITY MANAGER, SELECTBOARD, OR SPECIAL COMMITTEE ESTABLISHED TO PLAN CELEBRATION OR EVENT, IN YEAR PRECEDING, YEAR OF, AND YEAR AFTER, ANNIVERSARY OR EVENT
ARTS LOTTERY COUNCIL <a href="#">G.L. c. 10, § 58</a>	NO	ESTABLISH LOCAL CULTURAL COUNCIL; OR WITH APPROVAL OF MASSACHUSETTS CULTURAL COUNCIL, ESTABLISH REGIONAL CULTURAL COUNCIL WITH A CONSORTIUM OF OTHER CITIES OR TOWNS	ACTIVITIES AND PROGRAMS TO PROMOTE THE ARTS	YES	NOT PROHIBITED	NO MORE THAN 5% OF MONIES RECEIVED FROM STATE ARTS LOTTERY FUND CAN BE SPENT FOR ADMINISTRATION	STATE ARTS LOTTERY FUND DISTRIBUTION, RECEIPTS FROM LOCAL OR REGIONAL CULTURAL COUNCIL ACTIVITIES; GIFTS, GRANTS AND OTHER DONATIONS	REVOLVING FUND	CARRIES FORWARD FOR FUNDS RECEIVED WITHIN 12 MONTHS  FUNDS NOT SPENT WITHIN 12 MONTHS OF RECEIPT MUST BE SEGREGATED (SEE OTHER)		ANNUAL REPORT BY ACCOUNTING OFFICER TO MAYOR OR CITY MANAGER AND CITY COUNCIL, SELECTBOARD OR TOWN MANAGER  COPY TO MASSACHUSETTS CULTURAL COUNCIL AND BOA (SCHEDULE A)	FUNDS NOT SPENT WITHIN 12 MONTHS OF RECEIPT MUST BE SPENT BY MAYOR OR CITY MANAGER AND CITY COUNCIL, SELECTBOARD OR TOWN MANAGER FOR ARTS PURPOSES, NOT BY LOCAL OR REGIONAL CULTURAL COUNCIL
CENTENNIAL CELEBRATION <a href="#">G.L. c. 40, § 5H</a>	NO	ANNUAL APPROPRIATION FOR 5 YEARS PRECEDING CENTENNIAL	ACTIVITIES AND PROGRAMS TO CELEBRATE ANY CENTENNIAL ANNIVERSARY	YES	NOT PROHIBITED	NONE	APPROPRIATIONS; RECEIPTS FROM SALE OF COMMEMORATIVE ITEMS; AND ADMISSION CHARGES FOR COMMEMORATIVE CEREMONIES OR EVENTS	REVOLVING FUND	CLOSES TO GENERAL FUND AFTER CELEBRATION ACTIVITIES COMPLETED		REPORT TO TREASURER ACCOUNTING FOR EXPENDITURES AT CELEBRATION END	FUND MAY BE SPENT BY MAYOR, CITY MANAGER, SELECTBOARD OR SPECIAL COMMITTEE ESTABLISHED TO PLAN CELEBRATION, IN YEAR PRECEDING, YEAR OF, AND YEAR AFTER CENTENNIAL ANNIVERSARY

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DEPARTMENTAL REVOLVING <a href="#">G.L. c. 44, § 53E½</a>	NO	(1) BY-LAW OR ORDINANCE ESTABLISHING EACH FUND; AND (2) BY 7/1 EACH YEAR LEGISLATIVE BODY VOTE SETTING SPENDING AUTHORIZATION FOR EACH FUND FOR FY  MAY ESTABLISH IN SAME WAY AFTER 7/1 IF A NEW REVENUE SOURCE AND ACCOUNTING OFFICER CERTIFIES ANTICIPATED RECEIPTS NOT USED IN TAX RATE	ANY DEPARTMENT'S ACTIVITY OR PROGRAM  EXCEPT WATER, SEWER, HOSPITAL AND CABLE ACCESS	YES, IF PERMITTED BY BY-LAW OR ORDINANCE ESTABLISHING FUND	YES, IF IN CONNECTION WITH PROGRAM OR ACTIVITY GENERATING THE FEES, CHARGES OR OTHER RECEIPTS AND AUTHORIZED BY BY-LAW OR ORDINANCE ESTABLISHING FUND	NONE	FEES, CHARGES OR OTHER RECEIPTS GENERATED BY DEPARTMENT'S ACTIVITY OR PROGRAM SPECIFIED IN BY- LAW OR ORDINANCE ESTABLISHING FUND  EXCEPT REVENUE OR RECEIPTS ALREADY RESERVED BY LAW	GENERAL FUND	CARRIES FORWARD TO NEXT FY UNLESS BY-LAW OR ORDINANCE REPEALS FUND  IF FUND TERMINATED, BALANCE CLOSES TO GENERAL FUND	IF SALARIES OF FULL TIME EMPLOYEE CHARGED TO REVOLVING FUND, FRINGE BENEFITS MUST ALSO BE CHARGED TO FUND  EXCEPT FOR SCHOOL BUS DRIVERS	AS SPECIFIED IN BY- LAW OR ORDINANCE ESTABLISHING FUND	BY-LAW OR ORDINANCE MUST SPECIFY (1) EXPENSES OF DEPARTMENTAL PROGRAM OR ACTIVITY CHARGEABLE TO FUND; (2) FEES, CHARGES OR OTHER MONIES CHARGED AND RECEIVED BY DEPARTMENT IN CONNECTION WITH THE PROGRAM OR ACTIVITY; AND (3) DEPARTMENT OR AGENCY HEAD, BOARD, COMMITTEE OR OFFICER AUTHORIZED TO SPEND FROM THE FUND  SPENDING AUTHORIZATION VOTED BY LEGISLATIVE BODY FOR FY MAY BE INCREASED DURING YEAR BY CITY COUNCIL AND MAYOR IN CITY, SELECTBOARD AND FINANCE COMMITTEE IN TOWN
EXPEDITED PERMITTING <a href="#">G.L. c. 43D, § 6(b)</a>	YES	NONE	OPERATION OF EXPEDITED PERMITTING PROGRAM	YES	NOT PROHIBITED	NONE	EXPEDITED PROGRAM FEES	REVOLVING FUND	CARRIES FORWARD TO NEXT FY			FEES MUST BE ESTABLISHED BY AND FUNDS MAY BE SPENT BY MAYOR OR MANAGER AND CITY COUNCIL, OR SELECTBOARD
LAW ENFORCEMENT TRUST <a href="#">G.L. c. 94C, § 47</a>	NO	NONE	PROTRACTED LAW ENFORCEMENT INVESTIGATIONS; ADDITIONAL TECHNICAL EQUIPMENT OR EXPERTISE; MATCHING FUNDS FOR FEDERAL GRANTS; OR OTHER LAW ENFORCEMENT PURPOSE	NO	TECHNICAL EQUIPMENT	NONE	LOCAL SHARE OF CASH SEIZED OR PROCEEDS FROM SALE OF FORFEITED PROPERTY OBTAINED FROM STATE OR LOCAL DRUG ENFORCEMENT ACTIONS	GENERAL FUND	CARRIES FORWARD TO NEXT FY			ANY LOCAL SHARE OF FORFEITURE PROCEEDS FROM FEDERAL DRUG ACTIONS IS TREATED AS A GRANT UNDER G.L. c. 44, § 53A AND IS NOT CREDITED TO FUND

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MULTI-COMMUNITY YARD WASTE <a href="#">c. 179 OF THE ACTS OF 1993</a>	NO	APPROPRIATION BY PARTICIPATING COMMUNITIES	OPERATION OF YARD WASTE PROCESSING OR RECYCLING PROGRAMS	YES	NO	SET ANNUALLY BY LEAD COMMUNITY	APPROPRIATIONS FROM PARTICIPATING COMMUNITIES, OTHER PROGRAM RECEIPTS	GENERAL FUND				IN FIRST YEAR, SELECTBOARD OR MAYOR AND CITY COUNCIL OF LEAD COMMUNITY MUST (1) AUTHORIZE FUND; (2) SET FY SPENDING LIMIT; AND (3) DESIGNATE DEPARTMENT RESPONSIBLE FOR OPERATING PROGRAM  IN SUBSEQUENT YEARS, TOWN MEETING OR CITY COUNCIL SETS FY SPENDING LIMIT AND DESIGNATES RESPONSIBLE DEPARTMENT
MUNICIPAL BUILDING OR PROPERTY RENTAL <a href="#">G.L.c. 40, § 3</a>	NO, BUT PROVISION PERMITTING USE OF FUNDS FOR ANY FACILITY AND FUND CARRY-OVER REQUIRES ACCEPTANCE (SEE DEPARTMENT/ ACTIVITIES; FUND BALANCE)	LEGISLATIVE BODY ESTABLISHES REVOLVING FUND FOR RENTAL PAYMENTS FROM PARTICULAR RENTAL OR LEASE OF BUILDING OR SPACE BY SEPARATE VOTE, OR BY-LAW OR ORDINANCE SETTING OUT TYPES OF RENTALS OR LEASES REVOLVING FUND TO BE USED	UPKEEP OF RENTED FACILITY OR SPACE, INCLUDING CUSTODIAL COSTS, UTILITIES, ORDINARY REPAIRS AND MAINTENANCE.  MAY BE USED FOR UPKEEP OF ANY MUNICIPAL BUILDING OR PROPERTY IF CITY OR TOWN HAS ACCEPTED PROVISION SO PERMITTING	YES	NOT PROHIBITED	NONE	RENTAL PAYMENTS FROM LESSEES OF RENTED PREMISES	GENERAL FUND	CLOSES TO GENERAL FUND AT END OF FY, UNLESS CITY OR TOWN HAS ACCEPTED PROVISION PERMITTING CARRY OVER TO NEXT FY			

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OUTSIDE CONSULTANTS <a href="#">G.L.c. 44, § 53G</a>	NO	NONE	OUTSIDE CONSULTANTS HIRED TO ADVISE OR ASSIST REGULATORY BOARDS, COMMITTEES OR OFFICERS THAT ISSUE PERMITS, LICENSES OR APPROVALS IN REVIEW OF APPLICATIONS	NO	NO	NONE	OUTSIDE CONSULTANT FEES CHARGED APPLICANTS FOR LICENSES, PERMITS OR APPROVALS	PROJECT ACCOUNTS	PROJECT BALANCE RETURNED TO APPLICANT UPON COMPLETION OF REVIEW	SEPARATE ACCOUNT FOR EACH PROJECT	ACCOUNTING OFFICER REPORT TO APPLICANT AT PROJECT END  ANNUAL REPORT TO MAYOR OR CITY MANAGER AND CITY COUNCIL, SELECTBOARD OR TOWN MANAGER WITH PUBLICATION IN ANNUAL CITY OR TOWN REPORT  COPY TO BOA (SCHEDULE A)	FEES MUST BE ESTABLISHED BY RULES OR REGULATIONS OF COMMITTEE, BOARD OR OFFICER  CONSULTANT SELECTION CRITERIA AND APPEAL TO SELECTBOARD OR CITY COUNCIL MUST BE ESTABLISHED BY RULES OR REGULATIONS OF COMMITTEE, BOARD OR OFFICER
PARKS AND RECREATION <a href="#">G.L.c. 44, § 53D</a>	YES	NONE, UNLESS ANNUAL AUTHORIZATION REQUIRED BY BY-LAW OR ORDINANCE	PARKS AND RECREATIONAL PROGRAMS AND SERVICES	PART-TIME, SEASONAL, TEMPORARY ONLY	YES, IF IN DIRECT SUPPORT OF OR NECESSARY TO PROGRAM OPERATION	NONE	PARTICIPATION FEES AND PROGRAM RECEIPTS	REVOLVING FUND	BALANCE OF \$10,000 OR LESS CARRIES FORWARD TO NEXT FY  BALANCE OVER \$10,000 CLOSSES TO GENERAL FUND		ANNUAL REPORT BY ACCOUNTING OFFICER TO MAYOR OR CITY MANAGER AND CITY COUNCIL, SELECTBOARD OR TOWN MANAGER  COPY TO BOA (SCHEDULE A)	
PERFORMANCE SURETY DEPOSITS <a href="#">G.L.c. 44, § 53G½</a>	NO	BY-LAW, ORDINANCE, RULE OR REGULATION REQUIRING DEPOSIT BY APPLICANTS FOR SPECIFIED PERMITS, LICENSES, APPROVALS OR AUTHORIZATIONS OR BY CONTRACTORS FOR SPECIFIED AGREEMENTS	MEET CONDITION OR COMPLETE WORK SECURED BY DEPOSIT MADE BY APPLICANT FOR PERMIT, LICENSE, APPROVAL OR AUTHORIZATION OR BY CONTRACTOR, AS SPECIFIED IN BY-LAW, ORDINANCE, RULE OR REGULATION REQUIRING DEPOSIT	YES, IF TO MEET CONDITION OR COMPLETE WORK, AS PERMITTED BY BY-LAW, ORDINANCE, RULE OR REGULATION REQUIRING DEPOSIT	YES, IF TO MEET CONDITION OR COMPLETE WORK, AS PERMITTED BY BY-LAW, ORDINANCE, RULE OR REGULATION REQUIRING DEPOSIT FOR THE PERMIT, LICENSE, APPROVAL, AUTHORIZATION OR CONTRACT	NONE	CASH AND PROCEEDS FROM NON-CASH FINANCIAL GUARANTEES DEPOSITED BY APPLICANTS	AS SPECIFIED IN BY-LAW, ORDINANCE, RULE OR REGULATION REQUIRING DEPOSIT	DEPOSIT RETURNED TO APPLICANT UPON SATISFACTORY PERFORMANCE	SEPARATE ACCOUNT FOR EACH DEPOSIT		BY-LAW, ORDINANCE, RULE OR REGULATION MUST SPECIFY (1) TYPE OF REQUIRED FINANCIAL GUARANTEES; (2) TREATMENT OF INVESTMENT EARNINGS, IF ANY; (3) PERFORMANCE REQUIRED AND STANDARDS FOR DETERMINING SATISFACTORY COMPLETION OR DEFAULT; (4) PROCEDURES APPLICANT MUST FOLLOW TO OBTAIN RETURN OF DEPOSITED SECURITY; (5) USE OF MONIES IN ACCOUNT UPON DEFAULT; AND (6) OTHER REASONABLE CONDITIONS TO SECURE PERFORMANCE

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SMART GROWTH CONSULTANTS <a href="#">G.L.c. 40R, § 11(h)</a>	NO	FEES SET BY SMART GROWTH ZONING BY-LAW OR ORDINANCE	OUTSIDE CONSULTANTS FOR APPLICATION APPROVING AUTHORITY	NO	NO	NONE	APPROVAL FEES	PROJECT ACCOUNTS	PROJECT BALANCE RETURNED TO APPLICANT UPON COMPLETION OF REVIEW	SEPARATE ACCOUNT FOR EACH PROJECT		
SPECIAL DETAIL <a href="#">G.L.c. 44, § 53C</a>	NO	NONE	COMPENSATION OF EMPLOYEES FOR OFF- DUTY OR SPECIAL DETAIL WORK NOT RELATED TO REGULAR DUTIES	NO	NO	NONE	PAYMENTS BY ENTITIES OBTAINING OFF- DUTY OR SPECIAL DETAIL SERVICES	GENERAL FUND	CARRIES FORWARD TO NEXT FY	ANY ADMINISTRATIVE FEE IMPOSED MUST BE CREDITED TO GENERAL FUND  FEE MAY NOT BE MORE THAN 10% OF COST OF DETAIL SERVICE		PAYMENT MUST BE MADE TO EMPLOYEE WITHIN 10 DAYS OF RECEIPT OF PAYMENT FROM ENTITY PROVIDED SERVICES
SUBDIVISION PLAN PERFORMANCE BOND DEFAULTS <a href="#">G.L.c. 41, § 81U</a>	YES	NONE	COMPLETION OF MUNICIPAL INFRASTRUCTURE OF APPROVED SUBDIVISION PLAN	YES	PLANNED INFRASTRUCTURE	\$100,000	PROCEEDS OF PERFORMANCE BOND OR DEPOSIT IF NOT MORE THAN \$100,000	GENERAL FUND	PROJECT BALANCE RETURNED TO DEVELOPER	SEPARATE ACCOUNT FOR EACH PROJECT		NOT APPLICABLE IN CITIES, OR TOWNS WITH TOWN COUNCILS  EXPENDITURES REQUIRE APPROVAL OF SELECTBOARD
TAX TITLE <a href="#">G.L.c. 60, § 15B</a>	YES	BY-LAW, ORDINANCE OR LEGISLATIVE BODY VOTE, UPON RECOMMENDATION OF CHIEF EXECUTIVE OFFICER	OUT OF POCKET EXPENSES TO MAKE TAX TAKING OR FORECLOSE TAX TITLE, INCLUDING COSTS OF RECORDING OR FILING DOCUMENTS, TITLE SEARCHES, MAILING, PUBLISHING OR ADVERTISING NOTICES, PETITIONING LAND COURT, SERVING DOCUMENTS AND COURT FILINGS, PAYING LEGAL FEES	NO	NO	NONE	COLLECTION COSTS AND CHARGES RECEIVED WHEN TAX TITLE REDEEMED OR TAX POSSESSION SOLD	GENERAL FUND	CARRIES FORWARD TO NEXT FY  IF FUND, TERMINATED, BALANCE CLOSES TO GENERAL FUND		ANNUAL REPORT TO MAYOR OR CITY MANAGER OR , SELECTBOARD OR TOWN MANAGER	
WETLAND PROTECTION <a href="#">G.L.c. 131, § 40</a> <a href="#">c. 43, § 218 OF THE</a> <a href="#">ACTS OF 1997</a> <a href="#">c. 194, § 349 OF THE</a> <a href="#">ACTS OF 1998</a>	NO	NONE	CONSERVATION COMMISSION ADMINISTRATION AND ENFORCEMENT OF WETLAND PROTECTION ACT	YES	NOT PROHIBITED	NONE	WETLAND PROTECTIONS FILING FEES	GENERAL FUND	CARRIES FORWARD TO NEXT FY			EXPENDITURES REQUIRE WRITTEN APPROVAL OR SELECTBOARD OR TOWN MANAGER OR MAYOR OR CITY MANAGER