

## THE ROLE OF A FINANCE DIRECTOR

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The finance director is responsible for overseeing and coordinating a municipality's financial activities. Depending on the broader government structure, the finance director typically reports to the mayor, city manager, town manager, or town administrator. Even without a formally organized finance department, the finance director sometimes supervises the accountant, treasurer, collector, procurement officer, and assessor, often while serving simultaneously in one of these positions. A fully empowered finance director also appoints, trains, and evaluates the other finance officers.

The finance director provides an expert resource for the community's policymakers (i.e., the mayor and city council in cities or the select board and finance committee in towns) and is responsible for executing the financial policies set by them. Periodically and upon request, the finance director also reports to them on the municipality's financial condition. The finance director is usually expected to play a substantial budgetary role, such as coordinating the budget process, projecting revenues and expenditures, and developing the capital improvement plan. He or she also oversees the completion of the annual Tax Recapitulation Sheet and the free cash certification process.

As the day-to-day manager of fiscal activities, the finance director ensures the other finance departments effectively carry out their respective responsibilities. Chairing regular meetings of the finance team helps the director remain fully informed on the status of accounts, cash flow, and debt. Further, the director must ensure the regular reconciliation of cash and receivables, the effective operation of other internal controls, and the timely fulfillment of reporting requirements to DLS.

[M.G.L. c. 43C, §11](#) directs how a city or town may create through ordinance or bylaw a consolidated department of municipal finance headed by a director. For long-term stability, the same provisions should be incorporated into the community's charter. Local officials considering establishing or revising a finance director position can find more information about common duties on the Massachusetts Municipal Association's website by perusing its job postings, which provide examples of how other communities advertise for these positions.