Geoffrey E. Snyder
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

To: Town of Stoughton Select Board

From: **Division of Local Services**, Financial Management Resource Bureau
Marcia Bohinc, Senior Project Manager
Kasey Bik, Project Manager

Date: July 1, 2025

Re: Financial Operations and Treasurer/Collector Office Review

---

At the request of the select board, the Division of Local Services (DLS) Financial Management Resource Bureau (FMRB) completed this review of the Town of Stoughton's financial operations with a focus on the Treasurer/Collector office. FMRB was asked to conduct an operational evaluation to ensure the office is structured, staffed, and trained to function efficiently and effectively. For this review, we interviewed the town manager, finance director/town accountant, treasurer/collector, assistant treasurer/collector, senior clerks for both treasury and collections, former director of assessing, and human resources director. We also reviewed roles, responsibilities, job descriptions, and examined town and state legal and financial documents.

As the Treasurer/Collector office is one component of the town's overall financial operations, we reviewed the department's responsibilities as they intersect with the offices of the accountant and assessor. Our report recommendations focus on increasing efficiencies in this office as well as employing financial best practices that include the entire financial team.

Stoughton uses Tyler Technologies Munis Enterprise ERP (Munis) for their financial management software for both town and school—including modules for accounts payable and receivables, cash management, general ledger, purchase orders, tax billing and collections, and payroll. The software implementation process began during FY2014 and went live with the first module for FY2015. Additional modules installed over the next few years included those for payroll and human resources. A multi-year effort to integrate the utility (water/ sewer/trash) operations from the Cusi utility billing software into Munis is ongoing.

Organization and Structure

By town charter, Stoughton operates under a select board-town manager form of government with representative town meeting serving as the legislative body. The manager is the town's chief administrative officer and appoints financial department heads, which include the town accountant, treasurer/collector, and director of assessing. The manager also has the authority to organize, reorganize, or consolidate departments. Using this authority, the town manager established the department of municipal finance and appointed the accountant to serve as town's first finance director.

Over the last several years, Stoughton's financial offices have experienced significant turnover and organizational changes. Most notably, the long-term town accountant retired in August 2023 and was replaced with the current finance director/town accountant the following February. The director of assessing was just replaced for the third time since mid-2022. In that time, this critical financial office has been staffed with a consultant, retired staff members, and the technology director. Within treasurer/collector's office, the current treasurer/collector has held the position for over eight years, while the assistant treasurer/collector has been with the town for over 24 years—the last four being in her current position. Additionally, Stoughton has had three town managers in the last 10 years, with internal staff serving as interim town manager on multiple occasions.

Codify the Consolidated Finance Department

Effective for FY2024, the town manager established a consolidated department of municipal finance by creating the position of finance director/town accountant and instituting changes within the financial operation. Because this reorganization was within the town manager's authority, no further action was required, and the change was not codified in the charter or bylaws. Given Stoughton's size and the growing complexities involving municipal finance, we recommend formally adopting a finance director structure, which is common in many communities considered peers to Stoughton. By codify this organizational structure in the charter and bylaws, the duties and responsibilities of the finance director, the financial offices of the consolidated department (i.e., town accountant, treasurer/collector, and assessors), and the department heads supervised by the finance director would be clearly defined well beyond a job description and could not be readily revoked by turnover in the town manager's office.

The finance director plays a critical, point-person role in analyzing policy, developing strategies, and advising the town manager and policymakers. Process improvement efforts encompassing capital planning, long-range forecasting, and financial policies also drive performance, improve outcomes, and strengthen internal controls. Stoughton's finance director position was originally created around the individual serving as town accountant; however, future turnover in the financial offices may provide a different scenario for a qualified finance director. Therefore, we recommend defining the finance director's position to be combined with either the town accountant or the treasurer/collector, or as a singular, stand-alone position.

Review and Update Financial Office Job Descriptions

The town's personnel are governed by a series of collective bargaining agreements, job descriptions, and policies under the direction of the town manager. A review of the job descriptions for the finance offices revealed inconsistencies with job titles and responsibilities that also did not match current collective bargaining agreements, which creates confusion when limited responsibilities are assigned to specific individuals. Further, some staff we interviewed indicated that they were unaware of the substance of their own job descriptions. When the town accountant's office was reorganized to create the dual role of finance director/town accountant, a job description was created. However, this document lacks key elements typically found in a job description and has specificity regarding supervision that is not currently correct. It was also stated that the accountant job description would be eliminated, although this document does detail what is expected of a town accountant.

We recommend updating all job descriptions within each financial office so that every position clearly identifies what is expected of each employee. They should include major and minor duties and responsibilities; supervision received and given; education, qualifications, experience and special skills required; and the conditions under which work is performed. With codification, the finance director job description should be modified along with those reporting to the finance director to reflect the current structure.

Hold Regular Financial Team Meetings

We recommend holding regularly scheduled financial team meetings led by the finance director, the objective of which would be to institute oversight by providing the opportunity for participants to discuss the town's fiscal issues and review progress toward financial goals. For example, meetings would be an opportunity to review upcoming deadlines and responsibilities surrounding Munis issues and upgrades, ongoing activities such as reconciliations, revenue and expenditure monitoring, and school department matters, and annual and strategic items like town meetings, financial forecasting, capital financing, free cash certification, and year-end closing. These meetings help develop and foster a cohesive team, enhance lines of communication, and provide a forum to raise and resolve interdepartmental issues while underscoring how each office is dependent on the performance of the others.

Along with the department heads from the financial offices, meeting participants should include the assistant town accountant, treasurer/collector, assistant treasurer/collector, director of assessing, and a representative from the school business office. Occasions may arise in which additional managerial, analytical, or administrative support is necessary and might include the town manager, information technology, or other department heads as needed.

Develop and Support Staff Education and Cross-Training

We recommend that the town develop a proactive and systematic approach to professional development and training for all department managers and staff. The administration of municipal government comprises a complex web of laws and regulations that change and evolve. Participation in professional organizations and attendance at annual conferences offers opportunities for employees to keep up with these changes while providing a vehicle for finance staff to interact, exchange information, and trade experiences with peers in their field. Staff education and cross-training ensures uniformity in financial operations and supports consistency during turnover and absences. Expanding training to all offices within the finance department assists with employee retention by providing a path for possible advancement in the finance department or elsewhere in the town's government.

We also suggest that the finance director establish a calendar for finance department training sessions, perhaps on a quarterly cycle. These sessions can provide opportunities to enrich professional development and review process manuals, Munis processes and workflows, financial operation policies, and customer service communications.

Adopt Financial Policies

Policies provide instructive guidance for promoting sound, consistent fiscal planning, and effective financial management. We recommend that the finance director collaborate with the town manager, finance committee, and the other financial department heads to develop a comprehensive financial policy manual. As a model, we suggest finance officials review the manuals that DLS has developed and posted to our website. In doing so, officials should seek input from the select board and finance committee on specific policy decision points, such as targets for reserve and debt levels, forecasting assumptions, and other specifics surrounding the town's financial management. The policies that relate to day-to-day operations should be discussed with the financial management team, as well as the select board. Once any operational policy is adopted, it should be distributed to all applicable parties, including all relevant department heads. We have found that when the town manager and finance director coordinate staff trainings to review and implement financial operation policies with members of the finance department, the policies are met with greater acceptance and adherence.

Important when adopting policies is ensuring that they are developed in such a manner that each can be adhered to in order to maintain consistent financial management and proper internal controls. We offer the following guidance and recommended policies:

- Accountability: Clearly designate responsibilities for the actions in each policy.
- Benchmarks: Define the parameters and metrics for meeting policy goals.
- Consensus: Include those impacted by the policy in the discussion prior to adoption for input and agreement.
- Distribution: For any adopted operational policy, ensure that it is distributed to all applicable parties, including all relevant department heads.
- Effective date: Maintain a schedule to review the policies, at least every two to three years to keep them current and applicable.

Recommended Policies

- Antifraud
- Annual Budget Process
- Capital Planning
- Disbursements
- Financial Reserves
- Financial Management Team
- Forecasting
- Investments
- Procurement
- Reconciliations
- Revenue Turnover
- Tax Enforcement

Treasurer/Collector Office

The treasurer/collector office is staffed by the department head, who is certified both as a treasurer and collector through the Massachusetts Collectors & Treasurers Association, and an assistant treasurer/collector who is actively pursuing her certification. The treasurer side of the office employs two senior clerks with one of them dedicated to delinquent taxes, while the collector's side has two senior clerks who carryout collections for the town and those of the water and sewer departments.

As treasurer, the director of the office is responsible for managing cash, all town investments (including its self-insured health trust and other post-employment benefits trust funds), and issuing debt. The treasury staff accepts departments' turnovers, scans checks for immediate deposit, and deposits cash. After reconciling the daily activity, they enter receipt information into Munis which is then released to the accountant for posting to the general ledger. The office reviews and funds accounts payable and disburses payments after proper authorization. The treasurer is also responsible for managing and reconciling the cashbook and providing month-end balances to the accountant for reconciling to the general ledger.

In managing the collector's side of the office, the director oversees the processing of real and personal property taxes, community preservation surcharges, betterment assessments, excises, water/sewer/trash utility charges, and municipal lien certificate requests upon request due to a property sale or refinancing. The town receives payments via lockbox, mail, over the counter, from escrow services, and online through its website. Receivable information is entered into Munis which is verified and then released to the accountant for posting to the general ledger. As collector, they are also responsible for providing a reconciliation of all outstanding receivables to the accountant monthly for reconciling to the general ledger.

Additionally, the treasurer/collector is responsible for completing new tax title takings on real property in the fiscal year after they become past due and moving the subsequent taxes (taxes due on properties already in tax title) before June 30 each year, often with the assistance from an outside attorney to pursue foreclosure remedies. At the end of each fiscal year, any outstanding water/sewer/trash charges are added to the subsequent real estate bills as a lien. Due to the recent tax title reform legislation, some treasurer/collector's offices are delaying tax title proceedings while modifications to the new law are made.

Align and Delegate Responsibilities

Through our interviews, we observed a pattern of day to day procedures relying on managerial involvement. It is recognized that the treasurer/collector routinely works an exceptional number of hours. However, this effort does not support operational efficiency but rather reflects redundant workflows and an uneven distribution of staff responsibility. We observed bottlenecked workflows and complicated oversight, which in turn is preventing administrative level staff from fully understanding their ongoing duties. We recommend a combination of staff training and mentoring that enables appropriate delegation of responsibilities. This will enable the treasurer/collector to allocate time to the higher level activities associated with a management position in a reasonable number of hours per week. For example, a core obligation of a treasurer is debt management which necessitates significant time and attention. Relying on the town's financial advisor to warehouse specific detail on debt issues impedes the town in planning, managing, and forecasting future capital needs. By delegating routine tasks to administrative staff, the treasurer will have more time to allocate this and other core duties.

Consolidate Responsibilities within Office Staff

Communities combine treasurer and collector offices because of parallel responsibilities within each office, often finding that having the duties combined into one office generates efficiencies associated with having receipts collected, counted, posted, deposited, and managed all with the same department makes the most organizational sense. In Stoughton, current processes more align with those of separate treasury and collecting offices rather than a combined treasurer/collector department. Instead of strengthening internal controls, this has added unnecessary levels of procedures leading to inefficiencies.

We recommend the treasurer/collector organize office staff responsibilities into a single, combined department. Current staff would retain their primary responsibilities, but certain tasks would be completed from start to finish. When staff are permitted to take total ownership of daily tasks, they have a better understanding of overall financial operations and gain a sense of responsibility and accountability. Concerns over internal controls can be strengthened by leveraging Munis software, electronically monitoring tasks and eliminating manual and duplicative data entering and reporting.

Additionally, consolidating routine tasks and appropriately delegating responsibilities supports expanded staff capability, streamlines workflows, and relieves the treasurer/collector of unnecessary administrative burdens. This recommendation, as with the previous one can be supported by providing training to office staff and encouraging attendance at educational conferences when possible.

Make Disbursement After Approval of the Warrant

The treasurer/collector is permitted to disburse funds only after approval of the accounts payable or payroll warrants in compliance with M.G.L c.41 § 56. This statue prohibits the treasurer from disbursing funds until authorized by the select board. We were made aware of instances of disbursements occurring without or before the approval of a warrant. Additionally, payment on town credit cards must be carefully monitored so that it is not made outside of the warrant process. Payment outside of the approved warrant process is a serious breach of internal controls and puts the town’s finances at risk.

Financial Offices

The following recommendations apply across the offices of accounting, treasury, collections, and assessing.

Conduct Workflow Analysis

On a larger scale, we recommend the finance director work with department heads to evaluate each office's procedures as they relate to the town's finances with the goal of instituting Munis Workflow for all processes that require approvals or move between the financial offices. In our conversions, it was made clear that the stream of information for several routine procedures is more complicated than necessary, which creates duplicative work, delays, and weak internal controls. Specifically to the treasurer/collector office, we found daily procedures with redundant points of internal control that inhibit efficiency and disproportionally impact the workload of supervisory staff. Using Workflow will delegate tasks to proper staff, provide documentation, eliminate manual processes, including the creation of individual excel spreadsheets, and strengthen internal controls by providing a system-generated audit trail of activity and approvals.

An example of a treasurer/collector process that would benefit from this evaluation is departmental turnovers which are divided between multiple office members.

- Departmental turnovers are verified at the counter, with a senior clerk counting the revenue and confirming the turnover document is accurate in the presence of the turning over staff.
- The senior clerk creates a spreadsheet of the day's activity and turns the cash and checks over to the assistant treasurer/collector.
- The assistant treasurer/collector verifies the amounts, makes the bank deposit, and scans the checks.
- The treasurer/collector then reviews the spreadsheet, turnover, and deposit and returns the turnover form to the senior clerk.
- The senior clerk enters the information in Munis.

Simplifying this process would entail the senior clerks handling daily payment batches enter the information into Munis instead of a spreadsheet and scan their daily checks. The Munis payment report, cash, and scanned check report can then be verified by the assistant treasurer/collector who releases the batch to accounting for posting.

Develop Procedure Manuals

The evaluation process to institute Workflow can also serve as the basis for creating procedure manuals. Developing and maintaining such manuals will continue to unearth opportunities and inform new risk assessment decisions based on the cost of sustaining particular controls or adding new ones. A well-conceived procedures manual provides guidance to financial management activities, serves as a reliable reference tool for staff, helps maintain services when there are employee absences, facilitates employee time-off, and supports the training of new hires.

Once developed, these manuals should be stored electronically on shared drives for easy access so that procedures are consistent across departments for shared operations such as turnovers and purchasing. Tasks specifically related to Munis and Workflow should be reviewed and revised by the responsible department with each Munis update.

Leverage Technology

Along with Munis Workflow, we recommend the town conduct a holistic review of current technology with a focus on expansion and integration of the Munis software system and other systems used in daily operations. Current day-to-day operations reflect longstanding processes that were implemented before the existing staff structure and available technology. Using current features of Munis and other integrated software, the town can gain efficiencies and save time all the while maintaining or strengthening internal controls. Areas to consider include expanding Munis data entry for accounts payable and revenue turnover to non-financial departments and paperless invoice processing. A recent example of efficiency update using technology is the implementation of the Munis Business Licensing module for the Town Clerk.

Complete Cusi Conversion

Both the accounting and treasurer/collector offices spend an inordinate amount of time receiving, entering, balancing, reconciling, and answering questions related to water/sewer/trash utility billing. For years, well known Cusi utility software limitations have been manually dealt with to provide accurate bill processing, which is why converting utility billing to Munis has been on the town’s to do list since the Munis conversion in 2014. However, for various reasons, the many implementation dates that have occurred through the years have not been met. The latest date is now set for September 2025 after which the town will have finished replacing all usage meters required for the integration.

Stoughton is not alone in their struggles with their utility conversion. We understand the various resources committed to this endeavor and strongly recommend that management continues to support those resources. We have seen many post-conversion difficulties due to lack of investment in training to all departments involved in billing and collections, and in not allowing the time required for the learning that ensures all parties are ready for implementation.

Additionally, the separation of billing and collection responsibilities is a fundamental practice that supports internal controls between departments. As the assessing office generates the real estate tax commitment and is then transmitted to the treasurer/collector office for payment collections, utility billing should be managed similarly. Therefore, we offer the following guidance:

- The water/sewer department should be responsible for (1) importing meter data into Munis, (2) reconciling data and generating the bill commitment, (3) transferring the final commitment to the treasurer/collector's office, (4) providing the commitment warrant to the accountant and treasurer/collector.
- The treasurer/collector department responsible for (1) uploading the commitment to the receivables module, (2) collecting and posting payments as they are received.

Monitor Cashbook, Accounts Receivable, and General Ledger Reconciliations

For several years prior to FY2024, there were large variances between Stoughton's accounts receivable and the general ledger. It was also reported that monthly reconciliations between the treasurer's cashbook and the general ledger were not being performed monthly. Reconciliations must be conducted regularly to ensure transactions are in balance, mitigate fraud, safeguard general ledger accuracy, and maximize certifications of free cash and retained earnings. We recommend the finance director and treasurer/collector meet regularly to prioritize and monitor ongoing reconciliations so that corrective action can occur immediately if a problem exists.

Stoughton uses the Munis cashbook that links bank account and general ledger information, which is the most efficient way to maintain the cashbook. Updating the cashbook requires treasury and collection staff to first input information into Munis and then release to the accounting office for posting to the general ledger. This posting updates the treasurer's cashbook which allows the treasurer to reconcile bank activity. It is central that daily procedures are coordinated between the financial offices so that reconciliations are completed timely. Also, for this process to be successful, the treasurer and accountant must communicate bank changes to keep bank accounts and Munis revenue charge codes synchronized. To this end, the treasurer/collector should assign a member of the department to periodically review the charge codes – banks links to ensure proper postings.

Facilitate Disposition of Outstanding Real Estate Tax Receivables

Stoughton has amassed a long list of tax title liens and foreclosures contributing to a receivable balance of over $4M or close to 5% of the current tax levy. Researching these properties for disposition has been made difficult due to the age of the receivables and a reassignment of parcel identification numbers to all properties in the assessor database during the tenure of former assessing employees.

A dedicated clerk in the treasurer/collector office has made a concerted effort to consolidate property identification records on outstanding tax titles, especially titles eligible for the land of low value process. We encourage management to provide the resources and support necessary to all three financial offices (assessing, accounting, treasure/collector) to continue efforts to finalize all remaining record issues on parcels with receivables and perform proper disposition.

Transition Payroll Process to a Financial Office

Currently, the human resource office has sole responsibility over the entire payroll process, from verifying employee time input to funding paychecks and transmitting state and federal taxes. The current human resource director was formerly responsible for payroll in the treasurer's office. When she moved into human resources, the payroll followed.

While the functions of these two departments overlap, human resources and payroll have separate responsibilities and priorities. Human resources by definition serve the employee, whereas payroll is a fully financial function. To ensure necessary internal controls, we recommend the finance related payroll processes be assigned according to statutory responsibilities in either the town accountant or treasurer/collector office. At a minimum, all funding aspects of payroll, including fund transfers, wires, and all other bank activity should immediately be moved to the treasurer's office care and control. Human resource personnel should be removed from account signatory. Employee focused activities, such as maintaining personnel records and establishing classification and wage structures should remain with human resources.

The following grid contrasts the primary functions of a human resources department and a payroll department highlighting key points to consider for a transition.

Human Resource (HR) and Payroll Duties

Function	HR	Payroll	Comments
General	Employee focus ▪ Employee relations ▪ Paperwork ▪ Alphabet soup	Financial focus ▪ Compensating employees ▪ Reconciliations ▪ Subject to financial audit	The two offices have divergent priorities Best practice is to maintain segregation of duties
New hires	Hire new employees: ▪ Collect personnel data ▪ Conduct onboarding ▪ Solicit benefit enrollments	Enter new hire payroll data: ▪ Dates ▪ Classification or bargaining unit ▪ Wages ▪ Benefit selections ▪ Tax withholding ▪ Bank data	Information gathered by HR, verified and entered into employee record by payroll
Ongoing	▪ Maintain master employee database ▪ Provide all employee forms ▪ Create and update job descriptions	Verify and process employee information related to payroll ▪ Updates based on information received from HR	Information gathered by HR, verified and entered into employee record by payroll
Compensation	▪ Establish classification and wage structures ▪ Manage personnel action forms for changes	▪ Prepare cyclical payroll based on employee classification or bargaining agreement and timesheet data ▪ Process pay adjustments and additional wages and stipends based on authorized personnel action forms	Information processed by payroll based on guidelines established in HR HR initiated changes verified by payroll
Benefits	Manage: ▪ Benefit administration ▪ Open enrollment ▪ Benefit selections and changes	▪ Update employee payroll record with changes ▪ Monitor leave accruals and balances ▪ Process withholdings	HR creates and manages the paperwork Payroll verifies HR paperwork and enters into payroll system
Compliance and Reporting	Monitor that internal practices and activities comply with external governmental requirements: ▪ Antidiscrimination ▪ Wage and hours (FLSA)	Internal: ▪ Ensure employee payment data complies with current classification or bargaining unit External:	HR requires constant and consistent communication with employees Payroll is driven by financial activity and reporting deadlines

Function	HR	Payroll	Comments
	▪ Benefits and Leave ▪ Immigration ▪ Safety	▪ Ensure payroll activities comply with federal, state, and local laws ▪ Remit federal and state taxes ▪ Prepare and remit quarterly and year-end reporting	
Financial		▪ Fund payroll and associated town charges ▪ Reconcile payroll and withholdings with accounting officer ▪ Prepare withholding warrant ▪ Manage relationships with financial institutions	No HR role
Confidentiality	Must maintain complete confidentiality of employee files	Public has access to certain payroll information: ▪ Gross wages ▪ Employee contract information ▪ Negotiated benefits	Different regulations for employee data