

## **INTERMUNICIPAL AGREEMENT**

### **FOR THE PROVISION OF**

### **ACCOUNTING SERVICES**

**THIS AGREEMENT** is entered into by the Town of Templeton, MA, a corporate body politic, acting by and through its Board of Selectmen (the "Provider") and the Town of Hubbardston, MA, a corporate body politic, acting by and through its Board of Selectmen (the "End User"), which execute this agreement as follows:

**WHEREAS**, the End User is in need of professional, administrative, supervisory and technical accounting services ensuring the proper recording and maintenance of financial records, approving all financial payments, controlling expenditures of all town funds and auditing financial records and transactions; and

**WHEREAS**, the Provider has the proven capability and experience to be able to provide such services; and

**WHEREAS**, the Provider and the End User are authorized to undertake this Agreement pursuant M.G.L. C. 40, § § 4A.

**NOW, THEREFORE**, the Provider and End User, in consideration of the covenants and mutual premises contained herein, hereby agree as follows:

#### **1. TERM**

This Agreement shall take effect on July 1, 2019 and continue in effect for a period of three years unless extended or otherwise terminated as provided for herein.

#### **2. SCOPE OF SERVICES**

The Provider shall, on behalf of the End User, be present at the Hubbardston Town Offices an average of ten (10) hours per week. The End User shall be otherwise available by email or phone during all business hours to address problems or concerns of town staff. Normal and ordinary inquires will be responded to within four business hours. More extensive research will be completed within one week unless the requestor is advised that more time is needed. In addition, the Provider shall attend the Annual and Special Town meetings as requested by the Town Administrator. The Provider shall provide an onsite presence during the annual municipal audit to accommodate the Town's auditing firm. In addition, the Provider shall:

A. Develop and oversee the implementation of the End User's accounting system and procedures.

B. Examine, approve or disallow all of End User's departments' payroll and vendor payables expenditures; oversee maintenance of all revolving funds and grants received, ensuring that expenditures adhere to fund criteria and applicable provisions of municipal finance law.

C. Maintain a General Ledger and journal for the recording of all transactions; balance and close the End User's books; maintain custody of all End User contracts in End User's designated offices; prepare and record encumbrances into the next fiscal year; conduct internal audits of End User's Treasurer's cash and bank accounts, and End User's Collector's detailed list of outstanding receivables.

D. Reconcile cash accounts with End User's Treasurer; record monthly receivable commitments, abatements, and exemptions; maintain and reconcile receivables accounts with End User's Treasurer, Collector and Assessor.

E. Provide timely and accurate financial information and ensure the integrity of the financial data by instituting proper internal controls; verify that no claim or payable against the End User is fraudulent, unlawful or excessive as prescribed by Massachusetts General Laws.

F. Prepare monthly reports to track all financial activity within the End User's funds. Oversee the preparation of the monthly journal entries including receivable entries and reconcile these receivables.

G. Process warrants for End User's payroll and accounts payable.

H. Develop and prepare End User's year-end financial reports which include the balance sheet and revenue and expense statements for the Department of Revenue for free cash certification. Also prepare and submit annually the End User's Schedule A report to the Department of Revenue detailing all End User's financial activity for the fiscal year.

I. Assist End User's Town Administrator in the development of the End User's budget by providing a working template and providing limited proofreading for the accuracy of math and inclusion of major cost items.

J. Oversee proper maintenance of End User's inventory and fixed assets lists for compliance with GASB regulations by amending a working list, from information supplied to them by others, to add new capitalized items, delete capital items in surplus or otherwise disposed of and adjusting the depreciation schedules thereof.

K. Work in conjunction with the End User's Auditor, providing relevant documents and information for the annual audit.

L. Create and maintain new accounts and account lines for all End User's departments for proper financial reporting.

M. Perform similar or related work as required, directed or as situation dictates.

N. Attend an average of 85% or greater of staff meetings and finance team meetings, to the extent they are held on days on which the Provider is otherwise scheduled to be in the End User's offices and additional Select Board meetings as reasonably required by End User's Town Administrator.

### **3. RELATIONSHIP OF THE PARTIES**

Nothing contained herein shall create any employer-employee relationship between the End User and the Provider. The Provider shall have complete and sole liability for the hiring, discipline, and management of all of its personnel and supportive services and the payment of all costs associated with the provision of services provided under this agreement. The End User shall have liability for the timely payment of all assessments rendered to it in accordance with this agreement.

### **4. RECORDS AND REPORTS**

**a. Ongoing Record Maintenance:** The Provider shall ensure the creation and maintenance of complete records as identified in the services rendered section of this agreement and in accordance with all applicable local, state and federal laws, provided, however, that all records generated, received or maintained by Provider on behalf of End User are recognized as public records of the End User and shall be accessible to End User and maintained at End User's designated locations.

**b. Monthly Activity Reports:** The Provider shall respond in a timely manner to the End User's reasonable request for a monthly summary of activities performed by the department.

**c. Town Financial Reports:** The Provider shall respond in a timely manner to the End User's reasonable request for monthly and quarterly financial reports as required by the End User's Board of Selectmen and Finance Committee.

### **5. APPORTIONMENT AND ASSESSMENT OF COSTS**

The End User shall pay to the Provider per fiscal year, as follows:

FY20 - \$37,000

FY21 - \$42,000

FY22 - \$43,000

The End-User, upon invoice, shall pay the Provider in such periodic installments as the Provider shall determine are in its best interests. This Agreement is contingent on the End User's receipt in

FY20 of \$30,000 in funds to offset the cost of software conversions necessary to merge departments. It is further contingent upon appropriation by each Town Meeting at their annual town meetings of the necessary appropriations to fund the provision of and purchase of the services specified herein.

## **6. EXTENSION OR TERMINATION OF THIS AGREEMENT**

Either Party may terminate this Agreement at any time upon no less than six months of notice preceding the commencement of a fiscal year (*i.e.*, by December 30, 2020 to provide notice to terminate the provision of services effective July 1, 2021) provided however that, following termination of this Agreement by either Party, the End User may request the Provider to provide services on an hourly per-diem basis for two additional months to prepare year end closing reports and documentation for the annual audit.

Notwithstanding notice of termination, the parties shall remain bound to and liable for all responsibilities set forth herein until the effective date of such termination (*i.e.*, July 1<sup>st</sup>) provided, however, that the Provider shall provide to the End User all reports as set forth above.

## **7. AMENDMENT OF AGREEMENT**

This Agreement may be amended at any time by the parties, in writing, in the same manner as it was entered into.

## **8. NOTICES**

Any notice required to herein shall be given in hand or by first class mail:

Board of Selectmen  
160 Patriots Road – Box 620  
Templeton, MA 01438

OR

Board of Selectmen  
7 Main Street  
Hubbardston, MA 01452

Or at such other address to be established by the parties and to be considered delivered upon the third day after mailing.

## **9. SEVERABILITY**

If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or more parties would be substantially or materially prejudiced.

**10. GOVERNING LAW**

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the parties hereto submit to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

**11. ENTIRE AGREEMENT**

This Agreement constitutes the entire integrated agreement between the parties with respect to the matters described and supersedes all prior agreements, negotiations and representations, either written or oral.

**12. INDEMNIFICATION AND HOLD HARMLESS**

To the extent permitted by law, the Provider shall indemnify, defend and hold the End User harmless from and against any and all claims, demands, liabilities, actions, causes of actions, costs and expenses, including attorney's fees arising out of the Provider's breach of this Agreement or the negligence or misconduct of the Provider or the Provider's agents or employees. To the extent permitted by law, the End User shall indemnify, defend and hold the Provider harmless from and against any and all claims, demands, liabilities, actions, causes of actions, costs and expenses, including attorney's fees arising out of the End User's breach of this Agreement or the negligence or misconduct of the End User or the End User's agents or employees.

THIS AGREEMENT is made by and between the parties signatory hereto, each duly authorized.

For the Town of Templeton:

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For the Town of Hubbardston:

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Approved as to Form & Legality:

\_\_\_\_\_  
Templeton Town Counsel

Approved as to Form & Legality:

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Hubbardston Town Counsel

Executed this 15<sup>th</sup> day of May, 2019.

