

Town of Upton, Massachusetts

Financial Policies & Procedures Manual

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SECTION 1

ALL TOWN DEPARTMENTS

Town of Upton, Massachusetts
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1.01 – GENERAL ETHICS POLICY

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To state the Town's expectations surrounding ethics and acceptable business practices.

AUTHORITY

MGL Chapter 268A, 268B

POLICY

All Town employees, elected and appointed officials:

- will conduct Town business using the principles of fair dealing and ethical conduct;
- are expected to act with honesty and integrity, avoiding actual or perceived conflicts of interest in Town business;
- are expected to respect the confidentiality of information acquired in the normal course of work and shall not disclose such information unless required as a condition of the execution of Town business or by court order;
- are expected to provide constituents with accurate, complete, objective, relevant, timely and understandable information.
- are expected to act competently and in good faith and use best efforts to avoid misrepresenting material facts.
- are expected to promote ethical behavior throughout the Town.
- are expected to report known or suspected violations of the laws United States of America, Commonwealth of Massachusetts as well as Town ordinances and regulations.
- will strive to keep a respectful, safe and healthful workplace that is free of harassment, sexual or otherwise.
- shall not accept gifts from vendors or other third parties that may influence or appear to influence Town business.
- shall not violate state or federal political campaign contribution laws and regulations.

PROCEDURES

1. On timeframes set forth by the state, all Town employees, elected and appointed officials shall complete their online state ethics examination.

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2. The Town Clerk shall be responsible for monitoring the progress of the Town's employees, elected and appointed officials completion of the online state ethics examinations and follow up accordingly.
3. All new hires shall sign an acknowledgement that they have received the Town's sexual harassment policy.
4. All suspected or known ethics violations should be reported to a department head or, in the case the department head is suspected of the violation, to the Town Manager.
5. All suspected or known ethics violations involving the Town Manager should be reported to the Board of Selectmen.

1.02 – GENERAL INTERNAL CONTROLS POLICY

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To state the Town's expectations surrounding internal controls.

AUTHORITY

MGL Chapter 44

POLICY

The Town Manager and the Town Accountant are responsible for establishing and maintaining a system of internal controls adequate to safeguard the Town's assets and ensure that its accounting records are accurate.

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse. Specifics for the internal controls shall be documented in an internal controls manual that shall be reviewed and updated periodically by Management. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum: • Control of collusion • Separation of transaction authority from accounting and recordkeeping • Custodial safekeeping • Avoidance of physical delivery securities • Clear delegation of authority to subordinate staff members • Written confirmation of transactions for investments and wire transfers • Dual authorizations of wire transfers • Staff training and • Review, maintenance and monitoring of security procedures both manual and automated. The external auditor shall provide an annual independent review to assure compliance with state law, policies and procedures.

The Town will use its best efforts to segregate duties related to incompatible roles and responsibilities, recognizing that cost-benefit may prevent optimal segregation of duties. In those circumstances, mitigating controls such as regular account reconciliations shall be employed.

It is the Town's policy to maintain its accounting records using the Uniform Massachusetts Accounting System, or UMAS, and fund accounting. All sources of revenues and other inflows of resources as well as expenditures and outflows of resources are required to be recorded in the Town's accounting records. The Town Accountant shall cause the reconciliation of the Town's accounting system to departmental records and independent, third-party evidential matter.

Two of the Town's largest assets are cash and receivables, the information about which is maintained by the Town's Collector/Treasurer and Town Accountant. To make sure financial records are accurate and no money is missing, these offices will reconcile their cash and receivable records on a monthly basis. Before reconciliations with the Town Accountant can occur, the Collector/Treasurer must keep current and accurate records. If variances are identified between sets of records, the pertinent financial officers will meet to determine the causes (e.g., missing information, input errors, and timing differences) with the goal of resolving them. The Town Accountant will report the results of these reconciliations to the Town Manager for the purpose of verifying that the reconciliations took place and providing explanations for any variances.

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The Town Accountant shall cause the investigation of any allegations or suspicions of fraud, ethics violations or other suspected improprieties involving the Town's financial resources.

The Town Manager shall appoint an independent certified public accountant to audit the books and records of the Town. Although not subject to MGL Chapter 30B, the Town shall consider an open bid process for its annual audit services every six (6) years.

The Town shall adopt an "open door" policy, which is intended to facilitate the flow of information throughout the Town and further enhance the Town's internal control system. Information is necessary for the entity to carry out internal control responsibilities to support the achievement of its objectives. Management obtains or generates and uses relevant and quality information from both internal and external sources to support the functioning of internal control. Communication is the continual, iterative process of providing, sharing, and obtaining necessary information. Internal communication is how information is disseminated throughout the organization, flowing up, down and across the entity. It enables personnel to receive a clear message from senior management that control responsibilities must be taken seriously. External communication is twofold: it enables inbound communication of relevant external information and provides information to external parties in response to the requirements and expectations.

1.03 – INFORMATION TECHNOLOGY

Initial Issuance Date	June 20, 2017
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Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To state the Town's policy on information technology and its role within the Town's financial processes.

POLICY

The Town shall establish adequate information technology controls to critical computer systems and applications within the Town's accounting operations.

Access controls and other information technology controls shall be employed to protect the Town's accounting applications from being compromised from internal and external sources.

Where deemed appropriate, the Town shall favor hosted services with reputable third-party providers that have regular data backup and redundancies and permit the automatic and seamless upgrade of software versions.

PROCEDURES

1. All Town-owned personal computers shall have a requirement for a login and password. Passwords are to be changed on a quarterly basis.
2. A separate login and password shall be required for all accounting applications including VADAR, the Town's accounting system and AssessPro, the Town's real estate valuation system.
3. The Town Manager shall require the Town's IT support provider to restrict access to financial files on the Town's file server to authorized personnel. The Town Manager shall make periodic inquiries of department heads to ensure that only authorized parties have access to departmental files.
4. The Town Manager shall require the Town's IT support provider to install network security appliances and software to prevent unauthorized access to the Town's information systems, including its accounting system. The Town's IT support provider shall regularly update said network security devices.
5. There will be automatic daily backups of the Town Hall, Police Department and Fire Department servers .
6. The Town Manager, with the guidance of the Town's IT support provider, will periodically assess the need for updates to the current information technology structure and security.

1.04 – BUDGETING PROCESS - GENERAL APPROPRIATION

Initial Issuance Date	June 20, 2017
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Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To adopt an operating budget for the Town's general fund.

AUTHORITY

MGL Chapter 41 §§ 57, 58, 60
Town Bylaws Chapter 22, Chapter 391 of the Acts of 2008

POLICY

It is the Town's policy to establish a budget for its general appropriation each year. Such budget shall be adopted at Town Meeting on or before the last day of each fiscal year.

The Town shall use a "bottom-up" approach to budgeting whereby individual Town departments prepare their budgets, which are then forwarded to the Town Manager for review and approval.

Approved Town budgets shall be adopted effective July 1st each year.

PROCEDURES

1. Each November, the Town Manager and/or Finance Committee shall provide to each department head a memorandum describing the subsequent fiscal year's budget philosophy, timeframes, directions and forms. The forms shall include:
 - a. A payroll detail by employee; and
 - b. A detailed expenditure report by appropriation line item as well as subaccounts for each appropriation line item that includes:
 - i. The past two (2) completed fiscal year's expenditures;
 - ii. Year-to-date expenditures; and
 - iii. Current year appropriation.
2. The Town Manager shall work with the Town's Finance Officials to provide guidelines to department heads regarding the percentage and/or amount that their annual operating budget should be increased/decreased from the previously approved appropriation. This shall be incorporated into the memorandum described in Item 1 above. The Personnel Board will provide guidelines to the department heads regarding the personnel appropriations.
3. Department heads shall complete the provided forms and submit these forms to the Town Manager and/or the Finance Committee by the end of the calendar year.
4. The Town Manager and/or the Finance Committee shall ensure that all department heads have submitted their budget requests in the prescribed timeframes set forth in the memorandum and update the master budget template according to their submissions. The Town Manager shall reconcile the individual department head submissions to the master budget template to ensure that all department budget

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request line items are contained within the master budget template. The Town Manager shall retain the department head submissions as part of the final budget package.

5. In early January, the Town Manager shall meet and work with the department heads regarding their budget submissions. The Town Manager shall document all changes to the department head's original submissions.
6. At the end of January, once satisfied that the department budgets are reasonable and consistent with the Town's budget philosophy and guidelines, the Town Manager shall submit the revised master budget to the Board of Selectmen and the Finance Committee.
7. During the first quarter of the calendar year, the Board of Selectmen and the Finance Committee shall meet publicly with each of the department heads to review their budget submissions.
8. After careful and thorough consideration, the Finance Committee present their budget recommendations to Town Meeting in May.
9. When the budget is adopted at Town Meeting, the budget becomes effective on July 1st.
10. The Town Clerk shall notify the Town Manager and Town Accountant of the approved appropriations from Town Meeting.
11. The Town Accountant shall input the approved appropriation into VADAR, the Town's accounting system, for the subsequent fiscal year. The Town Accountant shall reconcile the approved appropriations to the accounting system to ensure that all appropriation line items are contained within VADAR.
12. The Town Manager shall maintain a record of the operating budget information, including, among other items, the original department head budget submissions, Town Meeting warrant and the final Town Meeting certifications showing the approved appropriations.

1.05 – BUDGET AMENDMENTS / ARTICLES

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To document the policy and procedures surrounding budget amendments and/or Town Meeting approved articles.

POLICY

All budget amendments and/or articles shall be approved by a vote of Town Meeting.

The Town Clerk shall notify the Town Manager and Town Accountant of any Town Meeting approved budget amendment and/or article. The Town Accountant shall, within ten (10) days, input the approved budget amendment and/or article into VADAR, the Town's accounting system.

PROCEDURES

1. For budget amendments and/or articles approved at Town Meeting by using free cash and upon the Town Accountant receiving notification from the Town Clerk of the vote, the Town Accountant shall complete a journal entry form identifying the transfer from free cash to either an existing appropriation line item or a new article. The Town Accountant shall sign off on the journal entry form, attach supporting documentation and file by date. The Town Accountant shall enter the transaction in VADAR by reducing the Town's undesignated fund balance.
2. In the case of a transfer from another fund such as the stabilization fund or receipts reserved for appropriation and upon the Town Accountant receiving notification from the Town Clerk of the vote, the Town Accountant shall complete a journal entry form identifying the transfer from the fund to either an existing appropriation line item or a new article. The Town Accountant shall sign off on the journal entry form, attach supporting documentation and file by date. The Town Accountant shall enter the transaction in VADAR by reducing the Town's appropriate other fund.
3. For budget amendments and/or articles approved at Town Meeting using overlay surplus and upon the Town Accountant receiving notification from the Town Clerk of the vote, the Town Accountant shall complete a journal entry form identifying the transfer from overlay to either an existing appropriation line item or a new article. The Town Accountant shall sign off on the journal entry form, attach supporting documentation and file by date. The Town Accountant shall enter the transaction in VADAR by reducing the overlay surplus.
4. For budget amendments and/or articles approved at Town Meeting authorizing debt and upon the Town Accountant receiving notification from the Town Clerk of the vote, the Town Accountant shall complete a journal entry form to record the debt authorization amendments or approvals from a new article. The Town Accountant shall sign off on the journal entry form, attach supporting documentation and file by date. The Town Accountant shall enter the transaction in VADAR.

1.06 – EXPENSE RECLASSIFICATIONS AND BUDGET TRANSFERS

Initial Issuance Date	June 20, 2017
Revision Date	May 13, 2025
Approved By and Date	Board of Selectmen, May 13, 2025

OBJECTIVE

To ensure that reclassifications of previously recorded transactions and/or budget adjustments are valid and properly authorized.

AUTHORITY

MGL Chapter 33B

POLICY

All reclassifications in VADAR, the Town's accounting system, shall be properly approved based on their economic substance.

All budget transfers made in VADAR shall be proper based on their economic substance and in accordance with state law.

PROCEDURES

EXPENSE RECLASSIFICATIONS

1. Expense reclassifications may be initiated by a department head or Finance Director/ Town Accountant.
2. A request for reclassification of expense form must be completed by the department head and include all pertinent information including amount being transferred, general ledger accounts affected, and a reason for the reclassification. The department head will sign off on the expense reclassification form.
3. The form will be reviewed by the Finance Director/ Town Accountant and if found acceptable, the Finance Director/ Town Accountant shall sign the expense reclassification form evidencing his/her review and approval.
4. The Finance Director/ Town Accountant shall then post the reclassification in VADAR and transcribe the VADAR-generated journal entry number onto the expense reclassification form.
5. The Finance Director/ Town Accountant shall maintain a file of all requests for reclassification of expense forms.

BUDGET TRANSFERS

1. Budget transfers should be initiated by a department head. Should the department head not submit a budget transfer request, the Finance Director/ Town Accountant, at the request of the Town Manager, may initiate the budget transfer process.

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2. A Budget Transfer form must be completed by the department head and include all pertinent information including amount being transferred, general ledger accounts affected, and a reason for the transfer. The department head will sign off on the budget transfer reclassification request form.
3. The Budget Transfer form is sent to the Town Manager and Finance Director/ Town Accountant for review.
 - a. If the budget transfer is being made between similar accounts within the same appropriation category (i.e. within the same Dept Number) approved at Town Meeting in its annual budget process, the budget transfer can be performed internally.
 - i. The Finance Director/ Town Accountant shall sign the budget transfer form evidencing his/her review and approval.
 - ii. The Finance Director/ Town Accountant shall post the transfer in VADAR and will transcribe the VADAR-generated journal entry number onto the budget transfer form.
 - iii. The Finance Director/ Town Accountant shall maintain a file of all budget transfer forms.
 - iv. The Finance Director/ Town Accountant shall prepare a summary of transfers to be sent to the Select Board and Finance Committee. For efficiency, the prepared summary should be included with any transfer requests identified in Section 3.b below.
 - b. If the budget transfer is being made from dissimilar accounts (i.e. from one appropriation category or Dept Number to another), the Town Manager will work with the Finance Director/ Town Accountant to determine if appropriate and where the resources will come from. These transfers are only used to offset projected deficits in departmental budgets. Once a funding source is determined:
 - i. As needed, The Town Manager and/or Finance Director/ Town Accountant will prepare a summary that will be sent to the Select Board and Finance Committee for review and approval during the period of May 1st to July 15th each year.
 - ii. Once approved, the Finance Director/ Town Accountant shall prepare a journal entry to record the transfer(s).
 - iii. The Finance Director/ Town Accountant shall sign off on the journal entry form as evidence that the transfer was posted in VADAR and will transcribe the VADAR-generated journal entry number onto the approved budget transfer summary.

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1.07 – BUDGET PROCESS - CAPITAL

Initial Issuance Date	June 20, 2017
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Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To adopt a capital budget for the Town.

AUTHORITY

MGL Chapter 41 §§ 57, 60
Town Bylaws, Chapter 9, Section 1

POLICY

It is the Town's policy to develop a capital improvement plan, which shall include a capital budget, each year.

The Town's by-laws require that the Capital Budget Committee give its recommendation at the town meeting for all capital expenditures equal to or greater than \$25,000.

All items of a capital nature that cost less than \$25,000 or have a useful life of less than five years should be included in a department's operating budget, not their capital budget.

Approved Town budgets shall be adopted effective July 1st each year.

PROCEDURES

1. Each September, the Town Manager shall, as part of the Town's general appropriation process, request updates from department heads on capital projects. The Town Manager shall coordinate with the Town Accountant to evaluate in process capital projects and capital projects forecasted to commence based on proceeds received from general obligation bonds or short-term borrowings.
2. Department heads shall complete the provided forms and submit these forms to the Town Manager and the Capital Budget Committee in September.
3. The Town Manager shall ensure that all department heads have submitted their capital requests in the prescribed timeframes set forth in the memorandum and update the capital budget template according to their submissions. The Town Manager shall reconcile the individual department head submissions to the capital budget template to ensure that all department capital request line items are contained within the capital budget template. The Town Manager shall retain the department head submissions as part of the final budget package.
4. For the remainder of the calendar year, the Town Manager shall work with the department heads regarding their capital request submissions. The Town Manager shall document all changes to the department head's original submissions.
5. Once satisfied that the department budgets are reasonable and consistent with the Town's capital improvement plan (see 1.08) and guidelines, the Town Manager shall present the revised capital budget to Board of Selectmen and the Finance Committee.

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6. The Board of Selectmen, the Finance Committee and the Capital Budget Committee shall each meet publicly to review the capital budget. Members from the Board of Selectmen, the Finance Committee and Capital Committee are encouraged to attend all public meetings where the capital budget is being reviewed.
7. After careful and thorough consideration, the Board of Selectmen will vote on which articles will be placed on warrant.
8. The Finance Committee and Capital Budget Committee will present their capital budget recommendations, as applicable, to Town Meeting in May.
9. When the capital budget is adopted at Town Meeting, the budget becomes effective on July 1st.
10. The Town Clerk shall notify the Town Manager and Town Accountant of the approved appropriations from Town Meeting.
11. The Town Accountant shall input the approved appropriation into VADAR, the Town's accounting system, for the subsequent fiscal year. The Town Accountant shall reconcile the approved appropriations to the VADAR system to ensure that all appropriation line items are contained within VADAR.
12. The Town Manager shall maintain a record of the capital budget information including, among other items, the original department head capital budget submissions and the final Town Meeting certifications noting the approved appropriations.

1.08 – CAPITAL IMPROVEMENT PROGRAM

Initial Issuance Date	June 20, 2017
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OBJECTIVE

To develop and maintain a multi-year Capital Improvement Program for the Town used to coordinate the financing and timing of major public improvements. Buildings, infrastructure, technology, and major equipment are the physical foundation for providing services to constituents. The procurement, construction, and maintenance of capital assets are a critical activity of the Town and therefore require careful planning.

The Capital Improvement Program is essential to the future financial health of the Town and continued delivery of services to citizens and businesses.

POLICY

It is the Town's policy to develop and maintain a six-year Capital Improvement Program.

Projects submitted for inclusion in the Capital Improvement Program must exceed \$25,000 in value.

The Town's by-laws require that the Capital Budget Committee give its recommendation at the town meeting for all capital expenditures equal to or greater than \$25,000.

PROCEDURES

1. Late in the summer department heads will be provided with their previously submitted six-year requests for review. They will then update their requests for any changes in previously included items as well as the addition of the next sixth year. This information is returned to the Town Manager for initial review.
2. By December 31st the Capital Budget Committee will meet and review the information compiled by the Town Manager. Meetings will be scheduled by the Capital Budget Committee with the Town Manager and the department heads to evaluate the projects. Updated debt schedules and financial forecasts will be reviewed to provide context to the Capital Budget as well as the six-year Capital Improvement Program.
3. In January/February the annual capital budget is finalized within the parameters of the established funding target plus any available funds such as free cash or previously approved but unexpended bond proceeds. In making final decisions, the process includes a determination of actual needs and the prioritization of need based upon legal mandate, public safety, and the effect of the deferral. Projects not approved for funding are typically deferred into the next budget year.
4. Throughout the year, Town staff monitors all the approved projections and the following fall the Capital Budget Committee reconvenes to update the Capital Improvement Program again.

1.09 – CASH RECEIPT TURNOVER PROCESS

Initial Issuance Date June 20, 2017
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Approved By and Date Board of Selectmen, June 20, 2017

OBJECTIVE

To establish formal policies on the receipts processes within Town departments for non-tax revenue sources. To better ensure that these amounts are deposited and recorded on a timely basis.

AUTHORITY

MGL Chapter 41

POLICY

It is the Town's policy that all departments turn over their receipts, regardless of the dollar amount, to the Town Collector/Treasurer at a minimum of one time per week.

All departmental receipts shall be accompanied by a Schedule of Departmental Payments, which shall be endorsed by the department head turning over funds. The Collector/Treasurer's office shall provide a receipt of these funds to the department making the turn over within a reasonable period of time.

Each department is responsible for the establishment of controls to safeguard monies collected from the public and other sources until such time as these funds are turned over to the Collector/Treasurer.

PROCEDURES

1. **Regardless of amount**, all departments are required to remit departmental receipts together with a completed Schedule of Departmental Payments to the Collector/Treasurer's office at a minimum once per week.
2. Prior to turning funds over to the Collector/Treasurer's office appropriate controls must be utilized to safeguard the monies. Cash and checks should be kept in a secure/locked place. Supporting documentation to prove the completeness of the funds on hand must be maintained.
3. The Schedule of Departmental Payments shall be completed and endorsed by the department head using the appropriate general ledger account numbers. Questions regarding appropriate general ledger account should be directed to the Town Accountant.
4. Upon receipt of the Schedule of Departmental Payments together with the cash and checks turned over, the Collector/Treasurer's office shall recount the amounts and, if necessary, resolve discrepancies. The Collector/Treasurer shall provide a receipt to the submitting department within a reasonable period of time. A copy of the Schedule of Departmental Payments will be made and will serve as the receipt to the department making the turn over. This should be filed by the department with appropriate documentation that supports the completeness of the funds turned over.
5. A duplicate copy of the Schedule of Departmental Payments completed by the department head should be submitted directly to the Town Accountant at the same time it is provided submitted to the Collector/Treasurer's office.

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6. Department heads should maintain an internal tracking mechanism for all departmental receipts turned over. This should be used to reconcile to the monthly reports received from the Town Accountant. Any discrepancies should be brought to the attention of the Town Accountant and the Collector/Treasurer immediately.

1.10 – ACCOUNTS PAYABLE VOUCHER PROCESS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish vendor invoice payment standards and practices to better assure that all vendor invoices presented to the Town Accountant for payment by the Town are valid and legal and paid from a valid appropriation or encumbrance.

AUTHORITY

MGL Chapter 44 §§ 14, 56A and 64
MGL Chapter 30B
Town Bylaws Chapter 22, Chapter 391 of the Acts of 2008

POLICY

The Town Accountant shall be responsible for the timely payment of all original and valid vendor invoices presented to him/her that have been approved by individual department heads and the Town Manager.

The Town shall issue vendor warrants at a minimum on a bi-weekly basis. A vendor warrant shall be issued in advance of the remittance of any Town funds for vendor services. Valid vendor warrants shall contain the endorsement of the Town Manager (or designee in the event of absence) and Town Accountant (or designee in the event of absence).

The payment of any unpaid bills of previous fiscal years which are legally unenforceable due to insufficiency of an appropriation in the fiscal year in which such bills were incurred shall only be processed for payment by the Town Accountant after the approval at an annual town meeting by four fifths vote or at a special town meeting by a nine tenths vote, of the voters present and voting.

The Town Accountant shall be responsible for the retention of all paid vendor invoices. The Collector/Treasurer and Town Accountant shall be responsible for the retention of all signed and approved vendor warrants.

PROCEDURES

1. Throughout the course of normal business, department heads shall receive original bills/invoices from vendors.
2. Department heads shall complete a Voucher (Bills Payable Schedule) by 5pm every Friday, which contains a detail of approved vendor invoices being submitted to the Town Accountant for payment using the appropriate general ledger account numbers. Questions regarding appropriate general ledger account should be directed to the Town Accountant. A valid appropriation or encumbrance must be available for the account listed.
3. Department heads shall endorse the Voucher evidencing their review and approval of the invoice and acknowledgement that all goods/services details on the original vendor invoice have been rendered or received by the Town.

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4. If applicable, a summary of the department's price solicitation should be attached to the relevant invoice submitted for payment as required by law.
5. The Town Accountant shall review the department's Vouchers and original vendor invoices for mathematical accuracy and validity as well as general ledger account used for the requested expenditure. The Town Accountant shall verify, as applicable, the appropriate procurement documentation has been submitted. Questions or concerns regarding vendor invoices will be investigated between the Town Accountant and the submitting department.
6. The Town Accountant will enter all the invoices appropriate for payment into VADAR for payment processing.
7. Department heads shall have access within VADAR, the Town's accounting system, to review their department expenditures at any time.
8. Department heads should maintain an internal tracking mechanism for all departmental expenditures. This should be used to reconcile to the monthly reports received from the Town Accountant. Any discrepancies should be brought to the attention of the Town Accountant immediately.

1.11 – APPROPRIATION & EXPENDITURE MONITORING

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To ensure expenditures are categorized and paid from the correct account including departmental budgets, revolving funds, reserve funds, trust funds, grants and gifts.

POLICY

The Town Accountant must monitor and oversee the Town's adherence to the Town's budget. The Town Accountant will work with the department heads to complete this review. Documentation of the monitoring process is to be maintained on file throughout the annual audit process. Department heads shall have access within VADAR, the Town's accounting system, to review their budget to actual results throughout the year.

PROCEDURES

On a monthly basis, the Board of Selectmen, Finance Committee, Town Manager and all department heads receive an electronic report from the Town Accountant that includes all year-to-date financial transactions recorded in the general ledger. As part of the monthly communication the Town Accountant will include a summary of the Town's current financial status, open items that need resolution, and status of ongoing issues.

If any department head does not agree with the records in relation to their department's transactions, they must follow up with the Town Accountant within ten days of the receipt of the electronic report.

1.12 – REVISIONS TO THIS MANUAL

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish mechanisms to revise this Manual.

POLICY

The Town Manager shall take ownership of this Manual.

Town employees, elected and appointed officials are encouraged to provide feedback and suggestions to the Town Manager.

The Town Manager, with the approval of the Board of Selectmen, has the sole authority to make changes to this Manual.

PROCEDURES

1. If deemed necessary, the Town Manager shall revise this Manual where appropriate. The Town Manager shall include a brief description of the revision in a new section entitled “REVISIONS” below the “OBJECTIVE” portion of the revised policy.

SECTION 2

ACCOUNTING DEPARTMENT

Town of Upton, Massachusetts
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2.01 – GENERAL ACCOUNTING POLICY

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To provide accurate and meaningful financial information to the Town to better conduct its operations.

AUTHORITY

MGL Chapters 41 and 44

POLICY

It is the Town's policy to maintain its accounting records using the Uniform Massachusetts Accounting System, or UMAS, and fund accounting. All sources of revenues and other inflows of resources as well as expenditures and outflows of resources are required to be recorded in the Town's accounting records.

The Town's financial statements are prepared in conformity with generally accepted accounting principles applied to state and local governments (GAAP). GAAP is prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for state and local government entities.

The Town's ledgers are maintained using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due; certain compensated absences; claims and judgments which are recognized when obligations are expected to be liquidated with current expendable available resources.

The Town will adopt an annual budget each year and record its budget in its accounting system to better assure the Town that expenditures do not exceed appropriations.

The Town Accountant and Collector/Treasurer are responsible for establishing and maintaining a system of internal controls adequate to safeguard the Town's assets and ensure that its accounting records are accurate.

The Town's fiscal year will begin each July 1st and conclude on the following June 30th.

PROCEDURES

1. The Town Accountant shall cause a monthly review of all general ledger accounts in VADAR, the Town's accounting system, throughout the course of the year against budgeted revenues and expenditures. Town Accountant will prepare monthly reports for the Board of Selectmen, Finance Committee, Town Manager, and all department heads that analyze and evaluate revenue and expenditure financial performance. Anomalies or one-time occurrences will be explained in a summary section of the report. In the event a major revenue or expense exception occurs; the Town Accountant will inform Town Manager of the potential long-term impact on the budget and financial condition of the Town.

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2. The Town Accountant will complete reconciliations between the accounts recorded in the general ledger with those of the Collector/Treasurer, and other appropriate Town Departments on a monthly basis. Any variances between the accounting system and other departments will be investigated and resolved in a timely manner. Any issues that are not able to be resolved currently will be reported in the monthly report.
3. The Town Clerk shall promptly notify the Town Accountant of valid articles appropriated at Town Meetings for inclusion into VADAR.

2.02 – PROCUREMENT RULES AND REGULATIONS

Initial Issuance Date June 20, 2017
Revision Date
Approved By and Date Board of Selectmen, June 20, 2017

OBJECTIVE

To establish purchasing standards and practices consistent with state law.

AUTHORITY

MGL Chapter 30B
MGL Chapter 149
MGL Chapter 41, Section 57

POLICY

The Town shall use its best efforts to secure the most cost beneficial products and services that are of good quality. The Town shall adhere to state procurement law.

ADDITIONAL BACKGROUND

MGL Chapter 30B applies to procurement of all supplies and services unless an exemption applies. The Town's Procurement Department maintains an up-to-date listing of all Chapter 30B exemptions. Common Chapter 30B exemptions include (i) public construction contracts, (ii) public building design contracts, (iii) intergovernmental service agreements, (iv) advertising of required notices agreements, (v) special education services, (vi) issuance of debt, (vii) deferred compensation programs for employees, (viii) insurance, (ix) utilities, (x) snow plowing services, (xi) bank services, (xii) solid waste removal, (xiii) contracts with architects, engineers and related professionals, and (xiv) contracts with lawyers, CPAs and labor relations representatives. The following grid illustrates the procurement requirements set forth under Chapter 30B:

Dollar Thresholds	Statutory Requirements
\$0 to \$9,999	Sound business practices Ensuring the receipt of a favorable price by periodically soliciting price lists or quotes
\$10,000 to \$34,999	Solicit three (3) quotes Award to lowest that meets requirements Written Contract
Over \$35,000	Sealed competitive bidding (IFB/RFP/Approved alternative) Advertisement/Public Notice Award to responsive and responsible vendor offering best price, or most advantageous proposal Written Contract

MGL Chapter 149 applies to all contracts for the construction, reconstruction, installation, demolition, maintenance or repair of a building excluding water/sewer buildings (MGL Chapter 30 § 39M) and energy saving improvements to public buildings (MGL Chapter 25A).

PROCEDURES

1. The Town Manager serves as the Town's Chief Procurement Office. The Chief Procurement Officer along with the Town Accountant shall periodically notify Town departments of changes in state procurement laws.
2. The Procurement Department shall manage the access, roles and approval rights within the purchasing module of VADAR, the Town's accounting system.
3. The Chief Procurement Officer shall provide all Town departments with a template for use in documenting their compliance with the solicitation of three (3) or more bids where the contract value is in excess of \$10,000 and under \$35,000.
4. The Chief Procurement Officer shall lead the Town's efforts in the competitive bid process for all contracts in excess of \$35,000.
 - a. Competitive bids shall be advertised in a local newspaper;
 - b. Competitive bids shall be placed in the Central Register; and
 - c. Procurement will organize and document a Public Bid Opening.
5. Each December, the Town Accountant shall review the vendor database within VADAR. Vendors with no recent activity should become "inactive" in VADAR.
6. The Chief Procurement Officer shall review and/or develop all contracts, leases, employment agreements and other day-to-day legal documents related to the Town's procurement of goods and services. A database of contracts shall be established and reviewed periodically for relevance.
7. All written documents required under Chapter 30B must be maintained in a file for six years from the date of final payment under the contract in the Town Manager's office. These documents include the following:
 - the declaration that property is available for disposition;
 - the solicitation documents and any amendments;
 - the public advertisement;
 - all *Central Register* notices;
 - all proposals received;
 - all evaluation materials;
 - a copy of the disclosure of beneficial interests; and
 - the signed purchase and sale agreement or lease.
8. The Town Accountant may disallow and refuse to approve for payment, in whole or in part, not in compliance with state procurement laws and in such case, he/she shall file with the town Collector/Treasurer a written statement of the reasons for such refusal.

2.03 – VENDOR WARRANT PROCESS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish vendor invoice payment standards and practices to better assure that all vendor invoices presented to the Town Accountant for payment by the Town are valid and legal and paid from a valid appropriation or encumbrance.

AUTHORITY

MGL Chapter 44 §§ 14, 56A and 64
MGL Chapter 30B
Town Bylaws Chapter 22, Chapter 391 of the Acts of 2008

POLICY

The Town Accountant shall be responsible for the timely payment of all original and valid vendor invoices presented to him/her that have been approved by individual department heads and the Town Manager.

The Town shall issue vendor warrants at a minimum on a bi-weekly basis. A vendor warrant shall be issued in advance of the remittance of any Town funds for vendor services. Valid vendor warrants shall contain the endorsement of the Town Manager (or designee in the event of absence) and Town Accountant (or designee in the event of absence).

The payment of any unpaid bills of previous fiscal years which are legally unenforceable due to insufficiency of an appropriation in the fiscal year in which such bills were incurred shall only be processed for payment by the Town Accountant after the approval at an annual town meeting by four fifths vote or at a special town meeting by a nine tenths vote, of the voters present and voting.

The Town Accountant shall be responsible for the retention of all paid vendor invoices. The Collector/Treasurer and the Town Accountant shall be responsible for the retention of all signed and approved vendor warrants.

PROCEDURES

1. Throughout the course of normal business, department heads shall receive original bills/invoices from vendors.
2. Department heads shall complete a Voucher (Bills Payable Schedule) by 5pm every Friday, which is contains a detail of approved vendor invoices being submitted to the Town Accountant for payment. Department heads shall endorse the Voucher evidencing their review and approval of the invoice and acknowledgement that all goods/services details on the original vendor invoice have been rendered or received by the Town. As applicable, a summary of the department's price solicitation should be attached to the relevant invoice submitted for payment.
3. The Town Accountant shall review the department's Vouchers and original vendor invoices for mathematical accuracy and validity as well as general ledger account used for the requested

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expenditure. Questions or concerns regarding vendor invoices will be investigated between the Town Accountant and the submitting department.

4. The Town Accountant will enter all the invoices appropriate for payment into VADAR for payment processing.
5. The Town Accountant shall accumulate all approved Vouchers and compare the total of these original signed documents to the details contained in VADAR. Upon agreement, two identical Vendor Warrants will be generated from VADAR and signed by the Town Accountant.
6. Both copies of the Vendor Warrant shall be presented to the Town Manager for review and approval, which shall be evidenced by his/her signature on the Vendor Warrant Summary.
7. A signed Vendor Warrant shall be provided to the Town Accountant and filed with all original vendor invoices paid on approved vendor warrants.
8. A signed Vendor Warrant will be submitted to the Collector/Treasurer for retention and inclusion in his/her cash records. The Collector/Treasurer shall present the original vendor warrant to another Treasury employee for inclusion into the cash book.

2.04 – PAYROLL WARRANT PROCESS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish policies and procedures surrounding the issuance and approval of payroll warrants.

AUTHORITY

MGL Chapter 41 § 41, 41A to 41C and 42
Town Bylaws Chapter 22, Chapter 391 of the Acts of 2008

POLICY

Unless required by state and/or federal law, the Town shall not issue a payroll payment to any Town employee until a valid and approved payroll warrant has been executed by the Town Manager and Town Accountant and presented to the Collector/Treasurer for payment.

PROCEDURES

1. A payroll warrant is downloaded from Harpers by the payroll clerk.
2. The payroll clerk in the Town Accountant's office shall review the payroll warrant to the Preprocess Payroll Register for accuracy.
3. The payroll shall be presented to the Town Manager (or designee in the event of absence) and Town Accountant (or designee in the event of absence) for review and approval, which shall be evidenced with their signature on the payroll warrant coversheet.
4. A copy of the final payroll warrant shall be retained by the Town Accountant and the original, signed payroll warrant shall be presented to the Collector/Treasurer.
5. The Collector/Treasurer shall not release payroll payments until a signed payroll warrant has been presented to him/her.
 - a. Employment law requires that terminated employees be paid all earned and accrued payroll and compensated absences at the time of termination. In this case, a manual check will be presented to the terminated employee on their termination date and the payroll figures shall be included in the next payroll warrant.
6. Department heads shall periodically review their monthly budget to actual reports and promptly report to the Town Accountant any unusual items observed in their payroll accounts.

2.05 – PAYROLL CHANGES

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish policies and procedures surrounding changes made to an employee's payroll record.

AUTHORITY

MGL Chapter 41 §§ 41, 41A to 41C and 42
Personnel Bylaws Chapter VI, Section B
Collective Bargaining Agreements

POLICY

The Town's Town Manager and Town Accountant shall be responsible for ensuring that all changes to an employee's payroll are valid and approved. The Town shall not record changes to an employee's payroll record without proper approval.

PROCEDURES

1. Department heads seeking to change an employee's pay rate or salary as a result of a job reclassification or a performance evaluation must complete a Personnel Board Review Request. The department head making the request must substantiate the basis for the request for the Personnel Board to consider. The Personnel Board will document their determination on the Personnel Board Review Request Form. If the determination results in a pay change an Employee Action Form will then be completed for processing.
2. With respect to automatic pay increases as set forth in a collective bargaining agreement, an Employee Action Form must be completed. The Town Manager's Executive Assistant shall be responsible for the initiation of the preparation of these forms.
3. Each Employee Action Form must be signed off by the applicable department head and the Town Manager. Such sign off is evidencing the validity and authorization of the payroll change within the Town's operating budget, among other reviewed items.
4. Once completed the original form is provided to the employee. A copy of the form is provided to the department head, Town Accountant, Collector/Treasurer, Personnel Board and a copy of also filed in the employee's personnel file.
5. The Collector/Treasurer's Office shall not enter a payroll change into the Harpers payroll system unless a valid and approved Employee Action Form is presented to the Collector/Treasurer.
6. The Collector/Treasurer shall file all payroll change paperwork according to the date of the payroll change.
7. Department heads should review their monthly budget to actual reports and promptly report to the Town Accountant any unusual items observed in their payroll accounts.

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8. On a monthly basis, the Town Accountant shall review a summary of the payroll changes made in Harpers to the Employee Action Forms provided to him/her for the month. Any discrepancies should be brought to the attention of the Town Manager.

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2.06 – CHECK PREPARATION

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish controls and procedures surrounding the printing of checks.

AUTHORITY

MGL Chapter 44

POLICY

The Town Accountant shall prepare Town checks drawn from the Town's vendor payable checking account only after a valid vendor warrant has been duly executed. No check may be issued to a vendor that has not been included in a valid vendor warrant.

PROCEDURES

1. Upon completion of a valid Vendor Warrant, the Town Accountant shall cause the printing of vendor checks from VADAR, the Town's accounting system.
2. Checks are printed on preprinted, prenumbered check stock that shall be stored in a secured location.
3. A check log shall be maintained to account for the sequence of checks issued.
4. The Town Accountant shall promptly notify the Collector/Treasurer of checks printed against a valid vendor warrant for inclusion into the Collector/Treasurer's cash records. This is accomplished by printing a check register for the vendor warrant from VADAR.
5. The Town's cash records shall be reconciled monthly within four (4) weeks of month end to the bank statements.
6. All cash and investment accounts shall be reconciled between the Collector/Treasurer and Accountant within four weeks of month end.

2.07 – CASH RECEIPTS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish formal policies on the receipts processes within Town departments for non-tax revenue sources. To better ensure that these amounts are deposited and recorded on a timely basis.

AUTHORITY

MGL Chapter 41

POLICY

It is the Town's policy that all departments turn over their receipts, regardless of the dollar amount, to the Town Collector/Treasurer at a minimum of one time per week.

All departmental receipts shall be accompanied by a Schedule of Departmental Payments, which shall be endorsed by the department head of the department turning over funds. The Collector/Treasurer's office shall provide a receipt of these funds to the department making the turn over within a reasonable period of time.

Each department is responsible for the establishment of controls to safeguard monies collected from the public and other sources until such time as these funds are turned over to the Collector/Treasurer.

PROCEDURES

1. **Regardless of amount**, all departments are required to remit departmental receipts together with a completed Schedule of Departmental Payments to the Collector/Treasurer's office at a minimum once per week.
2. The Schedule of Departmental Payments shall be completed and endorsed by the department head using the appropriate general ledger account numbers. Questions regarding appropriate general ledger account should be directed to the Town Accountant.
3. Upon receipt of the Schedule of Departmental Payments together with the cash and checks turned over, the Collector/Treasurer's office shall recount the amounts and, if necessary, resolve discrepancies. The Collector/Treasurer shall provide a receipt to the submitting department within a reasonable period of time. A copy of the Schedule of Departmental Payments will be made and will serve as the receipt to the department making the turnover.
4. A duplicate copy of the Schedule of Departmental Payments completed by the department head should be submitted directly to the Town Accountant at the same time it is provided submitted to the Collector/Treasurer's office.
5. After the funds are deposited and recorded into the cash records an individual from the Collector/Treasurer's office will input the receipt into VADAR. Note that this input into VADAR places the "packet" in a "pending" state. The Town Accountant is responsible for reviewing and posting the transaction.

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6. The Collector/Treasurer's copy of the turnover is filed in batches by date.
7. Monthly the Town Accountant will review the Schedule of Departmental Payments provided to him/her compared to the pending receipts input in VADAR. After this review is completed and any discrepancies resolved, the Town Accountant shall accept the packet and the figures are posted to VADAR.
8. Postings to VADAR shall be performed monthly at a minimum.
9. All cash and investment accounts shall be reconciled between the Collector/Treasurer and Town Accountant within four weeks of month end.

2.08 – GENERAL LEDGER MAINTENANCE

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To ensure that the general ledger is regularly maintained.

POLICY

The Town Accountant has ownership of VADAR, the Town's accounting system and shall regularly review its general ledger accounts for relevance. Accounts that have been inactive for more than three (3) fiscal years shall be designated as "inactive" as part of the annual budget process.

PROCEDURES

1. The Town Accountant shall review account statuses during the annual budget cycle. The Town Accountant shall determine whether an account needs to be designated "inactive" in VADAR.
2. The Town Accountant shall be responsible for establishing new general ledger accounts. He/She shall reference the Uniform Massachusetts Accounting System, or UMAS, manual as well as the existing chart of accounts during the process.

2.09 – BUDGET TO ACTUAL REPORTING

Initial Issuance Date June 20, 2017
Revision Date
Approved By and Date Board of Selectmen, June 20, 2017

OBJECTIVE

To regularly review the Town's recorded revenues and expenditures against its approved budget.

AUTHORITY

MGL Chapter 41 §58

POLICY

No expenditure shall be made from the Town's general operating budget whereby any portion of the expenditure results in a deficiency in the annual appropriation for that expenditure line item.

Department heads shall have access within VADAR, the Town's accounting system, to review their budget to actual results. In addition, each month, the Town Accountant shall provide budget to actual reports to the Town Manager, Board of Selectmen, Finance Committee, and department heads.

The Town Accountant shall regularly investigate unfavorable budget to actual variances with department heads.

Revenue budgets shall be reviewed monthly.

PROCEDURES

1. Within three weeks of month end, the Town Accountant shall send via email a budget to actual report to the Town Manager, Board of Selectmen, Finance Committee, and department heads. The Town Accountant shall highlight areas of budgetary concern and require the department head(s) to respond within ten (10) days.
2. If necessary, budget transfers and/or expense reclassifications may be initiated by the department head in accordance with the policies and procedures set forth in 1.06.
3. The Town Accountant shall maintain a database of Town employees and their budgeted salaries and wages by department and regularly compare recorded salaries and wages to her employee database. The Town Accountant shall identify discrepancies and work with the appropriate department head to resolve.
4. Revenues shall be analyzed monthly by the Town Accountant. The Town Accountant shall include the revenue budget to actual with the expenditure budget to actual reports in his/her monthly submissions to the Town Manager, Board of Selectmen, Finance Committee, and department heads. The Town Accountant shall work with the Collector/Treasurer to resolve budget to actual differences.
5. All cash and investment accounts shall be reconciled between the Collector/Treasurer and Town Accountant within four weeks of month end.

2.10 – MONTH END CLOSING

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To document the month-end closing procedures for the Town's accounting records.

AUTHORITY

MGL Chapter 44 § 56A

POLICY

The Town Accountant shall be responsible for the timely and accurate monthly close of the Town's accounting records.

PROCEDURES

1. The Collector/Treasurer and Town Accountant shall reconcile the balances contained within VADAR with the Collector/Treasurer's cash and investment reconciliations.
2. The Collector/Treasurer and Town Accountant shall reconcile the balances contained within VADAR with the detailed receivable ledgers maintained by the Collector/Treasurer.
3. The Town Accountant shall reconcile all other receivable balances not controlled by the Collector/Treasurer with the appropriate departments.
4. The Collector/Treasurer and Town Accountant shall reconcile the balances contained within VADAR with the detailed debt scheduled maintained by the Collector/Treasurer.
5. The Town Accountant shall reconcile the withholding payable balances contained within VADAR with supporting documentation such as payroll summary reports and invoices from payroll benefit providers.
6. The Town Accountant shall reconcile all other current liabilities contained within VADAR with appropriate supporting documentation. Additionally, the Town Accountant shall consider any other liabilities should be recorded in VADAR.
7. The Town Accountant shall review revenues recorded within VADAR to the Town's revenue budget for propriety. The Town Accountant shall work with the Collector/Treasurer to resolve budget to actual differences.
8. The Town Accountant shall review expenditures recorded within VADAR to the Town's expenditure budget for propriety. The Town Accountant shall identify discrepancies and work with the appropriate department head to resolve.
9. The Town Accountant will review all funds to ensure propriety of activity recorded in VADAR. The Town Accountant shall identify any issues and work with the appropriate parties to correct and/or resolve.

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2.11 – YEAR END CLOSING

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To document the year-end closing procedures for the Town's accounting records.

AUTHORITY

MGL Chapter 44 § 56A
Massachusetts Department of Revenue rules and regulations

POLICY

The Town's fiscal year shall end on June 30th of each year.

The Town Accountant shall be responsible for the timely and accurate close of the Town's annual accounting records.

To be sure that bills are received by the end of June it is recommended that routine orders for supplies and services be placed by June 15th. Purchases of supplies and services for the current fiscal year must be dated no later than June 30th in order to be processed.

The Town shall strive to close its accounting records on or before September 30th of each year.

PROCEDURES

1. Department heads shall promptly submit all vendor invoices in their possession on a duly executed Voucher (Bills Payable Schedule) on or before the 1st day of July each year for expenditures related to the previous fiscal year. The Town Accountant shall review all Vouchers and attached original vendor invoices and purchase orders paying attention to service dates.
2. The Town Accountant shall work with Chief Procurement Office to review open purchase obligations and finalize encumbrances. Encumbrances shall be reviewed with department heads for validity and completeness.
3. The Town Accountant shall work with the Collector/Treasurer to ensure that all material receipt transactions have been properly recorded in the correct fiscal year.
4. Using the DOR's year end checklist and on or before September 30th of each year:
 - a. The Collector/Treasurer shall provide to the Town Accountant detailed receivable ledgers. The Collector/Treasurer and Town Accountant shall reconcile the balances contained within VADAR, the Town's accounting system, with the detailed receivable ledgers maintained by the Collector/Treasurer. The DOR *Schedule of Outstanding Receivables* shall be completed and signed off by the Collector/Treasurer and Town Accountant.

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- b. The Collector/Treasurer shall provide to the Town Accountant all cash and investment reconciliations as well as the *DOR Year End Cash Report*. The Collector/Treasurer and Town Accountant shall reconcile the balances contained within VADAR with the Collector/Treasurer's cash reconciliations. The *DOR Cash Reconciliation Form* shall be completed and signed off by the Collector/Treasurer and Town Accountant.
- c. The Collector/Treasurer shall complete the *DOR Statement of Indebtedness* and provide it to the Town Accountant for review and approval.
- d. The Town Accountant shall prepare the *DOR Snow and Ice Annual Report*.
- e. The Town Accountant shall prepare a combined balance sheet and combining balance sheets for each fund type including individual fund balances using the financial data contained in VADAR.
- f. The Town Accountant shall prepare a *DOR Schedule A* using the financial data contained in VADAR.
- g. The Town Accountant shall prepare the Town's free cash certification for submission to the DOR at a time mutually agreeable with the Town Accountant, Collector/Treasurer, Town Manager and Board of Selectmen. The Town Manager shall review the free cash certification.

SECTION 3
COLLECTOR/TREASURER
DEPARTMENT

3.01 – BANKING RELATIONSHIPS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To permit the Town Collector/Treasurer to enter into banking relationships to best serve the needs of the Town while safeguarding its assets.

AUTHORITY

MGL Chapter 41§ 35
MGL Chapter 44 §55B

POLICY

The Town Collector/Treasurer shall be solely responsible for the selection of the Town's banking relationships, provided that the Town Collector/Treasurer adhere to state laws and regulations and that the Town Collector/Treasurer does not enter into banking relationships for which he/she has a clear and/or apparent conflict of interest.

The Town Collector/Treasurer shall invest Town monies not required to be kept liquid for the purposes of distribution considering safety, liquidity and yield.

The Town Collector/Treasurer shall evaluate banking relationships based on interest rates, service charges, depository insurance levels and other criteria deemed appropriate by the Town Collector/Treasurer.

The Town Collector/Treasurer shall not enter into any banking relationship that limits the Town's ability to enter into banking relationships with any other qualified financial institution.

PROCEDURES

1. The Town Collector/Treasurer shall document his/her rationale surrounding the execution of a banking relationship that may become available for inspection by the Town Accountant, Town Manager and/or the Board of Selectmen, if requested.

3.02 – TOWN INVESTMENTS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To state the Town's investment objectives, goals, risk tolerance and investment guidelines for the investment of Town funds.

AUTHORITY

MGL Chapter 44 §§ 54, 55 and 55B
Town's Investment Policy Statement

POLICY

The Town shall adopt a detailed investment policy with its investment advisor that includes the general guidelines and provisions contained within this section.

The Town's Collector/Treasurer shall be responsible for the Town's investment of its excess cash resources in accordance with state law while taking account of safety, liquidity and yield.

The Town shall diversify its investments to the greatest extent possible.

The Town's investment of its excess cash shall seek to protect the principal balance of the investment and enable the Town to liquidate its investment in a prompt and timely manner. These two (2) principals of safety and liquidity shall prevail over the investment's yield.

The Town's Collector/Treasurer shall not be held responsible for adverse investment performance whereby he/she abided by this investment policy and exercised the standard of prudence as well as reasonable due diligence in making investment decisions.

The Town Collector/Treasurer shall periodically review the creditworthiness of the financial institutions that hold and/or manage its excess cash resources with the Town's investment advisor. The Town shall evaluate the need for collateralization agreements for certain investments on an as-needed basis.

The Town Collector/Treasurer shall refer to the investment restrictions imposed by state law prior to purchasing an investment.

The Town shall at all times remain independent in fact and appearance with respect to its investments. The Town shall take all necessary steps to avoid conflicts of interest.

PROCEDURES

1. In connection with the year-end close procedures, the Town Collector/Treasurer shall furnish to the Town Accountant a detail of cash and investments held at year end for review.

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3.03 – BANK DEPOSITS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To document the Town's policies and procedures surrounding the deposit of monies collected and the internal controls surrounding these collections.

POLICY

The Town shall deposit cash and checks received on a daily basis. Deposits shall be made by someone from the Collector/Treasurer's office. The Town shall promptly reconcile its cash accounts each month. All overnight cash shall be locked in the Collector/Treasurer's safe.

PROCEDURES

1. All cash and check receipts will be aggregated by Collector/Treasurer's office for deposit into the Town's depository account each day.
2. A separate individual packet will be created in VADAR for each deposit to facilitate the reconciliation process.
3. The Collector/Treasurer shall perform a reconciliation of the cash and checks being deposited to the turnovers submitted to the Collector/Treasurer and other depository information from VADAR.
4. All cash deposits to the bank shall be placed in a bank bag along with the manual deposit slip.
5. When deposits are brought to the bank the employee from Collector/Treasurer's office shall receive the bank bag dropped off the prior day. Within the bag will be the bank's deposit slip from the prior deposit(s). This deposit slip will be brought back to the office and compared with the carbon copy of the manual deposit slip. The bank deposit slip will be attached to the manual deposit slip and filed with the corresponding turnover documentation.

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3.04 – INTEREST POSTINGS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To properly post interest earned on the Town's investments in the correct accounting period.

POLICY

The Town Collector/Treasurer shall identify all interest earned on the Town's interest-bearing cash accounts and other investments and cause such interest to be recorded in the Town's accounting records. The Town shall promptly reconcile its cash accounts each month.

PROCEDURES

1. In connection with the close of a calendar month, the Collector/Treasurer shall review each Town cash and investment account and identify interest and investment income earned in the period.
2. The Town Collector/Treasurer shall input interest earned into his/her cash records and provide such details to another employee within the department to record on a turnover and enter into VADAR.
3. The cash records shall be reconciled to the bank statement monthly within four (4) weeks of month end.
4. All cash and investment accounts shall be reconciled between the Collector/Treasurer and Accountant within four weeks of month end.

3.05 – WIRE TRANSFERS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To better ensure that wire transfers are made between cash accounts and to outside parties for valid Town business and are properly recorded in the Town's accounting records in the correct period.

POLICY

The Town Collector/Treasurer shall only process wire transfers to third parties for which a duly authorized warrant has been executed by the Town Manager and Town Accountant. The Town Collector/Treasurer shall only process wire transfers between cash and investment accounts to meet the liquidity needs of the Town or to establish or terminate bank accounts. The Town shall promptly reconcile its cash accounts each month.

PROCEDURES

1. Wire transfers by the Collector/Treasurer shall be recorded on a Wire/Internal Transfer Memo.
2. The Wire/Internal Transfer Memos shall be retained and filed by month.
3. The cash records shall be reconciled to the bank statement monthly within four (4) weeks of month end.
4. All cash and investment accounts shall be reconciled between the Collector/Treasurer and Accountant within four weeks of month end.

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3.06 – DEBT ISSUANCES

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To enable the Town to respond to short-term and long-term financial needs through the issuance of short-term and long-term borrowings.

AUTHORITY

MGL Chapter 44 §§ 7 and 8
MGL Chapter 30B
Town Debt Policy

POLICY

The Collector/Treasurer, upon notification that short and/or long-term borrowings have been approved at Town Meeting and upon coordination with the Town Manager and Town Accountant, shall enter into short and long-term borrowings on terms deemed favorable to the Town and in accordance with state law. All borrowing documents shall contain the endorsements of the Collector/Treasurer, Town Accountant and Town Manager and have the Town seal affixed to the documents.

Short-term borrowings shall be recorded as a liability in the fund for which the short-term borrowing is made. Long-term borrowings shall be recorded as revenues in the fund for which the long-term borrowing is made.

The Town shall not finance its current operations through the issuance of long-term debt.

The Town shall use bond counsel on all long-term debt issuances.

The Town shall notify the Massachusetts Department of Revenue within two (2) days of any votes to approve the issuance of debt.

PROCEDURES

1. All debt issuances shall be pursuant to state law including, but not limited to, state procurement laws.
2. All debt issuances shall require the approval of a two-thirds vote at Town Meeting. Upon approval, the Town Clerk shall promptly notify the Collector/Treasurer of the Town Meeting vote. The Collector/Treasurer shall notify the Massachusetts Department of Revenue of the approved Town Meeting vote within two (2) days of the vote.
3. The repayment term for long-term borrowings shall not exceed the economic or useful life of the improvement or asset for which financing was sought.
4. The Town Accountant shall establish general ledger accounts where necessary to properly account for the debt issuance and subsequent repayments.

Town of Upton, Massachusetts

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5. The Collector/Treasurer shall provide to the Town Accountant all amortization schedules for inclusion in the Town's operating budget.
6. The Collector/Treasurer and Town Accountants shall reconcile debt balances and repayments annually.

Town of Upton, Massachusetts
Financial Policies and Procedures

3.07 – DEBT REPAYMENTS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To properly account for debt repayments.

AUTHORITY

MGL Chapter 44 §§ 11 and 17

POLICY

Repayments of principal on short-term borrowings shall be recorded as reductions in liabilities in the fund for which the short-term borrowing was recorded. Interest payments shall be recorded in the fund for which the short-term borrowing was recorded. Short-term debt must have a portion of its principal repaid within two (2) years of issuance and may not be outstanding for more than five (5) years.

Repayments of principal on long-term debt shall be separately recorded from interest payments in the Town's accounting records. Both principal and interest payments on long-term debt shall be recorded in the fund for which the long-term borrowing was recorded.

The Town shall refinance its debt in periods in which interest rates decline and it's deemed cost beneficial to do such.

PROCEDURES

1. The Town shall make debt service payments for valid and approved bank invoices through the Town's normal vendor warrant process.
2. The Collector/Treasurer and Town Accountant shall reconcile debt balances and repayments annually.

3.08 – RECONCILIATIONS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To reconcile the financial activity within treasury functions with those recorded in the Town's accounting system.

POLICY

The reconciliation process between the Collector/Treasurer and Town Accountant is a critical component in the Town's overall internal control system. Reconciliations of the Town's cash, investments, receivables and debt shall be performed timely between the Town's Collector/Treasurer and Town Accountant. Discrepancies, if any, shall be promptly investigated and resolved.

PROCEDURES

1. The Collector/Treasurer's cash records shall be reconciled to the bank statements monthly within four (4) weeks of month end.
2. All cash and investment accounts shall be reconciled between the Collector/Treasurer and Town Accountant within four weeks of month end.
3. Department receipts shall be reconciled monthly between the Town Accountant and the individual departments.
4. The Collector/Treasurer and Town Accountant shall reconcile their outstanding property tax and motor vehicle excise tax receivables on a periodic basis and at a minimum in connection with the close of the Town's fiscal year.
5. The Collector/Treasurer and Town Accountant shall reconcile their tax title account balances on a periodic basis and at a minimum in connection with the close of the Town's fiscal year.
6. The Collector/Treasurer and Town Accountant shall reconcile debt balances and repayments monthly.

3.09 – PROPERTY AND EXCISE TAX COLLECTIONS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish formal policies on the receipts of property and excise taxes and their timely and accurate application in the Town's financial systems.

AUTHORITY

MGL Chapter 41and 60A

POLICY

It is the Collector's responsibility for the collection of property and motor vehicle excise taxes and the proper application of those collections against individual taxpayers' records within the Town's financial systems. Delinquent receipts shall be subject to interest, demands and other costs based on the following order: (i) interest, (ii) demand or other fees, (iii) utility liens, (iv) betterment assessments, (v) tax title liens, (vi) real estate taxes and (vii) property taxes.

All collections shall be entered into the Town's collector's module of the accounting system within one day of their receipt, when possible. In the event the volume of receipts is too great to complete the entry within one day, department personnel shall make every effort to enter the receipts as soon as possible

ADDITIONAL BACKGROUND

The Town receives the majority of its property tax payments through mortgage service companies. The next significant receipt method is via mail to Town Hall. Counter service is the next most significant receipt method. Online payments and a drop box outside Town Hall are the remaining payment options. Property tax and water and sewer receivable balances are maintained in VADAR.

Excise taxes are generally remitted either via mail to Town Hall or via counter service and follow the same processes as property taxes. Online payments and a drop box outside Town Hall are the remaining payment options. Excise tax receivable balances are maintained in the Kelly & Ryan Municipal ePayment System.

PROCEDURES

REMITTANCE BY MORTGAGE SERVICE PROVIDERS

1. The various mortgage service providers provide electronic files to the Town together with their payments, which are in the form of a wire transfer or checks. The Collector/Treasurer shall provide to another Collector/Treasurer office employee the necessary wire information received.
2. The Collector/Treasurer shall review the details provided by the submitting mortgage service provider and confirm that the total amount per the wire is in agreement with the amount reported by the mortgage service provider in their electronic file.
3. After his/her review is completed, the Collector/Treasurer shall upload the electronic files into VADAR, which applies the payment against the individual taxpayers' accounts.

PAYMENTS MAILED IN & DROP BOX PAYMENTS

1. A Collector/Treasurer office employee will obtain the daily mail and the payments left in the Town Hall drop box.
2. A Collector/Treasurer office employee will enter the receipt directly into VADAR or the Kelly & Ryan Municipal ePayment System, as appropriate.
3. The Collector/Treasurer office employee will gather all the cash and checks received along with the remittance portion of the bills (marked with the date received) and prepare for inclusion in the daily deposit.

COUNTER SERVICE

1. Each employee is tasked with tax collections within the Collector/Treasurer's office.
2. Taxpayers remit their taxes to the Collector/Treasurer office employee. Subsequently a Collector/Treasurer office employee will enter the receipt directly into VADAR or the Kelly & Ryan Municipal ePayment System, as appropriate. Taxpayers that provide their original remittance portion of their property or motor vehicle excise tax bill will have it stamped with the date as proof of payments. Partial payment of amounts due are noted with the amount received when date stamped by a Collector's office employee. Taxpayers paying cash without an original remittance slip will have an alternative receipt provided.
3. The Collector/Treasurer office employee retains the remittance slip for the tax payment (or alternative retained receipt if the taxpayer does not have the original remittance), which is marked with the date received.
4. A Collector/Treasurer office employee must reconcile the daily receipts with their postings daily. Discrepancies must be investigated and resolved.
5. The Collector/Treasurer office employee will gather all the cash and checks received along with the remittance portion of the bills and prepare for inclusion in the daily deposit.
6. All payments received after the deposit has been prepared must be in the Collector/Treasurer's safe for inclusion in the next day's deposit.

ONLINE PAYMENTS

Note: Motor vehicle online payments are posted directly to the Kelly & Ryan Municipal ePayment System.

1. The Bank of Canton or Unibank receives taxpayer remittances through the online payment vendor (MCC).
2. MCC contains the details of the individual taxpayer receipts it processed each day, which is housed in an electronic file.

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3. A Collector/Treasurer office employee periodically reconciles the receipt amount communicated by the Bank of Canton to the electronic file received from MCC. Once this reconciliation is completed a Collector/Treasurer office employee shall upload the electronic files into VADAR, which applies the payment against the individual taxpayers' accounts.

3.10 – DEPARTMENTAL RECEIPTS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish formal policies on the receipts processes within Town departments for non-tax revenue sources. To ensure that these amounts are deposited and recorded on a timely basis.

AUTHORITY

MGL Chapter 41

POLICY

It is the Town's policy that all departments turn over their receipts, regardless of the dollar amount, to the Town Collector/Treasurer at a minimum of one time per week.

All departmental receipts shall be accompanied by a Schedule of Departmental Payments, which shall be endorsed by department head of the department turning over funds. The Collector/Treasurer's office shall provide a receipt of these funds to the department making the turn over within a reasonable period of time.

Each department is responsible for the establishment of controls to safeguard monies collected from the public and other sources until such time as these funds are turned over to the Collector/Treasurer.

PROCEDURES

1. **Regardless of amount**, all departments are required to remit departmental receipts together with a completed Schedule of Departmental Payments to the Collector/Treasurer's office at a minimum once per week.
2. The Schedule of Departmental Payments shall be completed and endorsed by the department head using the appropriate general ledger account numbers. Questions regarding appropriate general ledger account should be directed to the Town Accountant.
3. Upon receipt of the Schedule of Departmental Payments together with the cash and checks turned over, the Collector/Treasurer's office shall recount the amounts and, if necessary, resolve discrepancies. The Collector/Treasurer shall provide a receipt to the submitting department within a reasonable period of time. A copy of the Schedule of Departmental Payments will be made and will serve as the receipt to the department making the turn over.
4. A duplicate copy of the Schedule of Departmental Payments completed by the department head should be submitted directly to the Town Accountant at the same time it is provided submitted to the Collector/Treasurer's office.
5. After the funds are deposited and recorded in the into the cash records an individual from the Collector/Treasurer's office will input the receipt into VADAR. Note that this input into VADAR places the "packet" in a "pending" state. The Town Accountant is responsible for reviewing and posting the transaction.

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6. The Collector/Treasurer's copy of the turnover is filed with other items included in the same deposit in batches by date.
7. The cash records shall be reconciled to the bank statement monthly within four (4) weeks of month end.
8. All cash and investment accounts shall be reconciled between the Collector/Treasurer and Town Accountant within four weeks of month end.
9. Department receipts shall be reconciled monthly between the Collector/Treasurer and the Town Accountant.

3.11 – INTERGOVERNMENTAL RECEIPTS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish formal policies on the receipts processes within the Town for receipts from other government entities. To better ensure that these amounts are recorded on a timely basis.

AUTHORITY

MGL Chapter 41

POLICY

It is the Town's policy that intergovernmental receipts shall be recorded on a timely basis and in the correct general ledger revenue accounts.

PROCEDURES

1. Upon receipt of Federal and State monies via a wire transfer, the Collector/Treasurer shall review the wire remittance advice provided by the bank to determine the nature of the remittance. The Collector/Treasurer shall prepare a monthly Schedule of Departmental Payments summarizing all of the Federal and State monies received. Another individual within the Collector/Treasurer's office shall input the receipt(s) into VADAR. The Town Accountant shall also be provided with a copy of the Schedule of Departmental Payments.
2. Upon receipt of Federal and State monies via check, the Collector/Treasurer shall review the check's remittance documentation to determine the nature of the remittance. Once determined, the Collector/Treasurer shall provide a Schedule of Departmental Payments with the receipt details to another individual within the Collector/Treasurer's office for input into VADAR. The check will be provided to the clerk responsible for cash deposits within the Collector/Treasurer's office. The Town Accountant shall also be provided with a copy of the Schedule of Departmental Payments.
3. Upon receipt of intergovernmental monies from other local municipalities for services via check, the Collector/Treasurer shall review the check's remittance documentation to determine the nature of the remittance. Once determined, the Collector/Treasurer shall input the receipt into cash records and provide a Schedule of Departmental Payments with the receipt details to another individual within the Collector/Treasurer's office for input into VADAR. The check will be provided to the clerk responsible for cash deposits within the Collector/Treasurer's office. The Town Accountant shall also be provided with a copy of the Schedule of Departmental Payments.
 - a. When services are provided to another local municipality monthly invoicing for the services shall take place. The department overseeing the services will generate an invoice based on the agreed upon fee and send it to the appropriate municipality for payment.
 - b. A copy of all invoices issues shall be forwarded to the Town Accountant.
 - c. A schedule tracking all invoices issued and subsequent payments received is to be maintained by the department overseeing the services on an ongoing basis. This schedule shall be forwarded to the Town Accountant on a monthly basis.

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- d. At year-end, any outstanding invoices shall be recorded in the general ledger by the Town Accountant.
- 4. In the event that an appropriate general ledger account does not exist, the Collector/Treasurer shall coordinate with the Town Accountant to establish an appropriate general ledger revenue account within the correct fund.
- 5. The cash records shall be reconciled to the bank statements monthly within four (4) weeks of month end.
- 6. All cash and investment accounts shall be reconciled between the Collector/Treasurer and Town Accountant within four weeks of month end.

3.12 – TAX TITLE

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish formal policies regarding tax title proceedings in accordance with MGL as well as the ordinances adopted by the Town.

AUTHORITY

MGL Chapter 60

POLICY

It is the Town's policy to commence tax title annually. Tax title procedures shall follow the guidelines set forth under state law including the timely publication of tax title procedures in two public places as well as in an area news publication. The Town shall assess a \$5 demand fee and, if applicable, additional fees related to the publication of tax titles in area news publications.

Accounts placed in tax title shall accrue interest at the maximum allowable rate set by the state, which is currently 14% per annum.

PROCEDURES

1. Each year, the Collector/Treasurer shall prepare a report of delinquencies and shall review the details of such report. The Collector/Treasurer's final report shall have all delinquencies reported, regardless of amount, including trivial figures.
2. The Collector/Treasurer will mail the demands to the listed taxpayers. Taxpayers have fourteen (14) days to remit payment on the demand notice.
3. For amounts not collected from this process and after an additional sixty (60) days subsequent to the due date of the demands, the Collector/Treasurer shall prepare a detail of the delinquencies for public notice. Public notice shall include the pertinent information set forth under state law, be posted in both Town Hall, the Library, and be placed in a local newspaper. The Collector/Treasurer shall retain a copy of advertisements and notices in his/her files.
4. The accounts for those taxpayers advertised will have a fee assessed to cover their proportion of the advertising and other related costs associated with the advertising process. The Collector/Treasurer shall apply these fees to the taxpayers' accounts in VADAR.
5. At the Collector/Treasurer's discretion, payments not received within sixty (60) days of the advertising date will be aggregated and reported on a *Certification to Tax Title* report and provided to the Town's tax attorney. This process will relieve the taxpayers' account balances from their respective receivable and place the entire amount as principal in the tax title receivable account within VADAR. This report shall be endorsed by the Collector/Treasurer and provided to the Town Accountant.
6. The Town's tax attorney shall file a lien on behalf of the Town in land court.

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7. Interest shall accrue at the maximum allowable rate set forth by the state on tax title principal amounts.
8. The Collector/Treasurer and Town Accountant shall reconcile their tax title account balances on a periodic basis.
9. The Town may commence foreclosure procedures on properties in tax title in accordance with state laws.

3.13 – VENDOR WARRANT PAYMENT

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish vendor invoice payment standards and practices to better assure that all vendor invoices presented to the Town Accountant for payment by the Town are valid and legal and paid from a valid appropriation or encumbrance.

AUTHORITY

MGL Chapter 44 §§ 14, 56A and 64
Town Bylaws Chapter 22, Chapter 391 of the Acts of 2008

POLICY

The Town Accountant shall be responsible for the timely payment of all original and valid vendor invoices presented to him/her that have been approved by individual department heads and the Town Manager.

The Town shall issue vendor warrants at a minimum on a bi-weekly basis.. A vendor warrant shall be issued in advance of the remittance of any Town funds for vendor services. Valid vendor warrants shall contain the endorsement of the Town Manager (or designee in the event of absence) and Town Accountant (or designee in the event of absence).

The payment of any unpaid bills of previous fiscal years which are legally unenforceable due to insufficiency of an appropriation in the fiscal year in which such bills were incurred shall only be processed for payment by the Town Accountant after the approval at an annual town meeting by four fifths vote or at a special town meeting by a nine tenths vote, of the voters present and voting.

The Town Accountant shall be responsible for the retention of all paid vendor invoices. The Collector/Treasurer and the Town Accountant shall be responsible for the retention of all signed and approved vendor warrants.

PROCEDURES

1. The Town Accountant will enter all the invoices appropriate for payment into VADAR for payment processing. Two identical Vendor Warrants will be generated from VADAR and signed by the Town Manager and Town Accountant evidencing their review and approval.
2. A signed Vendor Warrant will be submitted to the Collector/Treasurer for retention and inclusion in his/her cash records.
3. Upon completion of a valid Vendor Warrant, the Town Accountant shall cause the printing of vendor checks from VADAR, the Town's accounting system. Checks are printed on preprinted, prenumbered check stock that shall be stored in a secured location.
4. The Town Accountant shall promptly notify the Collector/Treasurer of checks printed against a valid vendor warrant. This is accomplished by printing a check register for the vendor warrant from VADAR.

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The checks that are accompanied by the vendor warrant will be manually stamped with the Treasurer's signature stamp.

5. A Collector/Treasurer office employee will review the checks printed against the approved vendor warrant. If the date, amount, payee, and mailing address are appropriate the employee will collate the checks with any remittance advance and place into envelopes with proper postage in order to mail the vendor payments. Payments made to departments within the Town of Upton may be hand delivered or held for pickup by a departmental employee.
6. After the Treasurer's review, if no discrepancies are found, the Treasurer will transfer funds from the depository account to the vendor account to cover the checks included on the warrant. At this time the checks will be mailed out to the vendors.
7. The original vouchers and invoices will be returned to the Town Accountant for filing.

3.14 – PAYROLL PROCESSING

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish policies and procedures surrounding the payroll processing and approval functions.

AUTHORITY

MGL Chapter 41 §§ 41, 41A to 41C and 42

POLICY

The Town's payroll shall be processed upon the receipt of a department's approved time sheets to the Town.

PROCEDURES

1. When necessary, the payroll clerk in the Town Accountant's office shall provide an input worksheet generated from Harpers to all department heads. This spreadsheet contains all pertinent employee information needed to complete the processing of an employee's gross payroll. Additionally, the payroll clerk shall distribute a listing of the current accrued paid time off available for each employee to the applicable department head.
2. Department heads must input their employee time on input worksheet and submit input worksheets and timesheets to the payroll clerk by 5:00pm each Friday.
 - a. Employee time shall include the following:
 - i. Regular hours;
 - ii. Overtime;
 - iii. Sick time;
 - iv. Personal time;
 - v. Vacation time;
 - vi. Jury and witness duty;
 - vii. Holidays; and
 - viii. Other department-specific time categories
3. The payroll clerk performs a review of the submissions. Errors and/or discrepancies are investigated.
4. The signed input worksheets are retained by the Town Accountant and timesheets are retained by the Town Manager's Executive Assistant.
5. On Monday, the payroll clerk will input the payroll information into the Harpers.
6. The accrued paid time off database will be updated with any sick or vacation time taken during the current pay-period by the payroll clerk at this time.
7. The payroll clerk will run a Preprocess Payroll Register and compare the totals per this Preprocess Payroll Register to the information contained in the input worksheets.

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8. Once this review is completed and errors/concerns addressed, the payroll clerk will sync the Harpers files.
9. Two hours later, electronic reports are available from Harpers and the warrant is downloaded from Harpers. The warrant is then compared to the Preprocess Payroll Register and corrections will be made as necessary. Two copies of the warrant are then printed and forwarded to the Town Manager and Town Accountant for approval.
10. Harpers will send via a private courier the payroll package to the Town Tuesday. This payroll package will contain the final payroll register (as well as other payroll reports), payroll checks, direct deposit advices and checks to be issued to third parties for payroll withholdings and garnishments.
11. The final payroll summary is used to calculate the withholdings.
12. Payroll checks and direct deposit advices are sorted by department and provided to department heads during the course of business on Thursday.
13. The Collector/Treasurer shall transfer the gross amount of the payroll warrant together with the Town's share of Medicare and unemployment taxes to the payroll account using the payroll register and the payroll clerk's proof worksheet.
14. The cash records shall be reconciled to the bank statements monthly within four (4) weeks of month end.
15. All cash and investment accounts shall be reconciled between the Collector/Treasurer and Town Accountant within four weeks of month end.

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3.15 – PAYROLL MAINTENANCE

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish policies and procedures to periodically review the accuracy of the Town's payroll database.

POLICY

The Town shall periodically review its employee data in the Harpers payroll system for relevance and accuracy.

PROCEDURES

1. On a regular basis, the Town Accountant shall obtain from the Collector/Treasurer an employee listing by department from Harpers and shall review this employee listing by department to the Town Accountant's budget files.
2. The Town Accountant shall report any findings or unusual items to the Town Manager.

3.16 – COMPENSATED ABSENCES

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To establish policies and procedures surrounding Town employees requesting and being awarded paid time off and the year-end processes to accumulate earned and accrued paid time off, or compensated absences.

AUTHORITY

MGL Chapter 41 §§ 41, 41A to 41C and 42
Collective Bargaining Agreements

POLICY

Unless required by state and/or federal law, the Town shall not issue a payroll payment to any Town employee until a valid and approved payroll warrant has been executed by the Town Manager and Town Accountant and presented to the Collector/Treasurer for payment.

PROCEDURES

1. Town employees are permitted to request time off in accordance with their collective bargaining agreement or their employment arrangement with the Town. Employees shall complete and sign a Time Usage Request Form in advance of using accrued vacation and personal time. In the case of sick days, employees shall complete and sign a Time Usage Request Form the day the employee returns to work.
2. The Time Usage Request Form shall be reviewed by the department head and if granted signed off designating that the department head approved the paid time off.
3. The department head shall forward the completed Time Usage Request Form to the payroll clerk.
4. Payroll clerk shall review the completed Time Usage Request Form versus an internal database (excel workbook) it maintains to ensure that the employee has enough earned time accumulated for the paid time off request.
5. Department heads are responsible for reporting paid time off usage in their regular payroll.
6. Each June, the payroll clerk shall calculate the accumulated compensated absence balances for each Town employee using the prior year's accumulated balance, plus time/days earned in the current calendar year less time/days taken per the accrued paid time database maintained. The payroll clerk shall report this information to the Town Accountant. This information will then be used to update the internal database for accrued compensated absences that will carry to the following fiscal year.

SECTION 4

ASSESSING DEPARTMENT

4.01 – PROPERTY APPRAISALS AND ASSESSING

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To assess and appraise all property, real and personal, within the Town at their fair value for tax assessment purposes.

AUTHORITY

MGL Chapter 59

POLICY

It is the Town's policy to annually assess the fair values of the real and personal property. While the assessment and appraisal process are continuous processes, final assessments shall be completed in November each year. The Town's Board of Assessors is responsible for these processes. The processes used by the Board of Assessors shall be consistent with those prescribed by the Massachusetts Department of Revenue.

PROCEDURES

REAL ESTATE

1. The Assessor shall maintain a database of all real estate parcels within the Town. The Town currently utilizes AssessPro for this database supported by Patriot Properties, Inc.
2. The Assessing Department shall analyze all real estate sale transactions in the Town by visiting the property and evaluating the sales transaction.
3. The cost tables in AssessPro shall be continuously updated based on the results of Assessing Department's site visits and the results of *arms-length* sales transactions.
4. The Assessor, or an outsourced party, shall visit all properties in which building permits have been granted. Field cards as well as the cost tables in AssessPro shall be updated based on these site visits.
5. The Assessor, or an outsourced party, shall perform a site visit on all real property within the Town at least once every nine (9) years. Field cards as well as the cost tables in AssessPro shall be updated based on these site visits.
6. No later than mid-November of each year, the Assessor shall "freeze" its real estate appraisal process and prepare the required the required property valuation forms for the Massachusetts Department of Revenue.
 - a. In non-certification years (i.e., years 1-4), the Assessor shall complete the LA15, which must be approved by the Massachusetts Department of Revenue. Prior to submission to the Massachusetts Department of Revenue, the Board of Assessors shall review and approve the Assessor's work.

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- b. In certification years (i.e., year 5), the Massachusetts Department of Revenue assigns a DOR advisor to work with the Town and will, among other things, review a random sampling of real estate properties as well as the assumptions and data input by the Assessor in the cost tables within AssessPro. This process shall be overseen by the Board of Assessors.
7. Once the LA15 or quinquennial certification is complete, the Assessor shall prepare the required new growth forms (LA13). The Board of Assessors shall review the work of the Assessor. Upon completion, the LA13 is submitted to the Massachusetts Department of Revenue for approval.

PERSONAL PROPERTY

1. The Assessor shall obtain from all business entities within the Town a list of all equipment owned or leased. This document, known as the "State Form 2-Form of List," must be submitted on or March 1 and will be the basis for assessment of personal property taxes. The Assessor shall evaluate all submissions for reasonableness and accuracy. The data from the State Form 2 – Form of List shall be entered into the Town's personal property database.
2. The Assessor, or an outsourced party, shall perform a site visit for all business entities within the Town that did not submit a Return of Personal Property Subject to Taxation form to the Town. The data gathered from these site visits shall be entered into the Town's personal property database.
3. The Assessor shall periodically drive by all business entities within the Town to validate whether the business entities remain in operation.
4. The Assessor shall have the right to perform an inspection of the books and records of any business entity should the Assessor have reasonable cause to believe that the business entity has materially omitted personal property or understated the fair value of their personal property. The results of these inspections shall be entered into the Town's personal property database.

4.02 – SETTING THE TAX RATE

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To set the Town's tax rate in accordance with MGL as well as the ordinances adopted by the Town.

AUTHORITY

MGL Chapter 59 § 59C

POLICY

It is the Town's policy to set its property tax rate no later than December 15 of each year based on the rules and limitations set forth under MGL. The setting of the tax rate requires the collaboration of many departments including the offices of the Town Manager, Town Accountant, Town Clerk, Board of Assessors and the Board of Selectmen, who shall devote the necessary resources to ensure the timely completion and submission of the final recap package to the Massachusetts Department of Revenue for certification.

PROCEDURES

1. Upon notification by the Massachusetts Department of Revenue that the Town's quinquennial certification has been approved or that the interim property tax forms have been accepted and the Massachusetts Department of Revenue has approved the Town's new growth, the Town shall calculate its tax levy. The Town's tax levy limit is calculated as (a) the prior year's levy limit plus (b) 2.5% of the prior year's levy limit plus (c) voted overrides, if any, plus (d) new growth adjusted for (e) debt exclusions. In addition, the tax levy cannot exceed 2.5% of the assessed fair value of property within the Town regardless of the amount calculated in the immediately preceding sentence. This is commonly referred to as Prop 2 ½. The Board of Assessors is responsible for determining the Town's tax levy limit each year.
2. The Town currently has a single tax rate for all property classes. The Board of Assessors shall work with the Board of Selectmen to approve whether a single or dual tax rate will be utilized. The Town should review the use of a single tax on an annual basis.
3. The Collector/Treasurer shall input into its database the Board of Selectmen approved tax rate split, in the event a dual tax rate is approved, and the residential exemption amount.
4. The Assessor shall compile the necessary documentation within its office and the offices of the Town Manager, Town Accountant, Town Clerk and Board of Selectmen to prepare the Massachusetts Department of Revenue Tax Rate Recapitulation. The Board of Assessors shall review and approve the work of the Assessor. The approved Recap shall be submitted to the Massachusetts Department of Revenue for approval by no later than the beginning of December each year.

4.03 – PROPERTY TAX COMMITMENTS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To properly record in the Town's assessing and collection systems the correct amounts of property tax commitments.

AUTHORITY

MGL Chapter 59

POLICY

It is the Town's policy to issue property tax bills on a quarterly basis with payment due dates of February 1, May 1, August 1 and November 1 of each year. All property tax bills shall be preceded by a warrant from the Board of Assessor authorizing the Town Collector/Treasurer to bill and collect a predetermined amount.

PROCEDURES

1. The first two quarterly property tax bills shall be based on "preliminary" data from the previous year's final tax commitment. A signed Assessors Warrant to Collector/Treasurer must be presented to the Collector/Treasurer prior to the commitment being processed. Refer to steps below.
2. For the third and fourth quarterly property tax bill, upon approval of the Recap by the Massachusetts Department of Revenue, the Board of Assessors shall prepare and sign an Assessors Warrant to Collector. A copy of the Assessors Warrant to Collector/Treasurer shall be presented to the Town Accountant.
3. The appraised property values contained in the Assessors database shall be exported from AssessPro to VADAR, the Town's accounting system. The Assessor and Collector/Treasurer shall independently reconcile the results of this data transfer and communicate their results of this reconciliation to each other.
4. The Collector/Treasurer shall prepare a property tax commitment based on the data transfer from AssessPro to VADAR and the approved tax rate.
5. The Collector/Treasurer shall transmit the data from its commitment in VADAR to Kelley & Ryan, the Town's outsourced bill processor. The Collector/Treasurer will receive a proof from Kelly & Ryan prior to Kelly & Ryan finalizing the quarterly billing. After coordinating their reviews, the Collector/Treasurer will authorize Kelly & Ryan via email.
6. The Collector/Treasurer maintains a notice of tax billing and commitment and other necessary forms prescribed by the Massachusetts Department of Revenue.

4.04 – EXCISE TAX COMMITMENTS

Initial Issuance Date	June 20, 2017
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Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To properly record in the Town's assessing and collection systems the correct amounts of excise tax commitments.

AUTHORITY

MGL Chapter 60A

POLICY

It is the Town's policy to issue periodic motor vehicle excise tax bills. All motor vehicle excise tax bills shall be preceded by a warrant from the Board of Assessor authorizing the Town Collector/Treasurer to bill and collect a predetermined amount. The largest motor vehicle excise billing is generally the first motor vehicle excise tax bill of the calendar year. The Town shall use best efforts to have motor vehicle excise tax bills be mailed to taxpayers within twenty-one (21) days of receipt of owner data from the Massachusetts RMV. Motor vehicle excise tax payments are due within thirty (30) days of issuance.

PROCEDURES

1. Kelly & Ryan, the Town's outsourced bill processor, will periodically import motor vehicle registration data directly from the Massachusetts RMV. Such data will include pertinent information about the motor vehicle and its owner. Kelly & Ryan will submit listings to the Assessor of registrations in January or early February each year. In addition, Kelly & Ryan will submit listings to the Assessor of new registrations periodically throughout the year.
2. The Assessor shall review the listings presented by Kelly & Ryan and eliminate all exempt vehicles from the listings. Exempt vehicles include municipal and vehicles owned by certain not-for-profit organizations such as hospitals.
3. The Board of Assessors shall prepare an Assessors Warrant to Collector/Treasurer for motor vehicle excise taxes and sign said warrant evidencing their review and approval of the work of the Assessor. Kelly & Ryan transfer the vehicle database to the Kelly & Ryan Municipal ePayment System. A commitment is generated from Municipal ePayment System. A copy of the Assessors Warrant to Collector/Treasurer shall be presented to the Town Accountant.

4.05 – ABATEMENTS AND EXEMPTIONS

Initial Issuance Date June 20, 2017
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OBJECTIVE

To properly authorize and record in the Town's assessing and collection systems the approved amounts of abatements and exemptions from property and excises.

AUTHORITY

MGL Chapter 59

POLICY

It is the Town's policy that its Board of Assessors has the sole authority to grant abatements and exemptions to taxes. The Town's processes for abatements and exemptions shall be timely and in accordance with MA state laws, and if applicable the Appellate Tax Board, or ATB.

All abatements for property taxes must be approved by the Board of Assessors at a posted meeting. All requests for abatements of property taxes must be filed with the Board of Assessors on or before the due date of the third fiscal quarter's property tax bills (generally February 1 of each year).

The Board of Assessors may authorize the Assessor to issue abatements for motor vehicles and exemptions to property taxes on its own, provided the Board of Assessors is notified of any and all such actions in its regular posted meetings. No motor vehicle abatement will be accepted where the calculated abatement is less than \$5. With certain exceptions for (i) surviving spouses of service members killed in combat or missing in action, (ii) paraplegic veterans disabled in war or (iii) the surviving spouse or minor child of a Town police or firefighter killed in the line of duty, property tax exemptions cannot result in a taxpayer paying less than 10% of their original property tax bill.

The filing of an abatement does not permit an applicant from paying their original tax obligation. It is the Town's policy to assess interest and possible penalties on unpaid tax bills that are in the abatement appeal process.

PROCEDURES

PROPERTY TAX ABATEMENTS

1. Taxpayers are required to complete an abatement application with the Assessor on or before the due date. The Assessor shall date stamp all applications received and summarize them on an excel worksheet for the Board. The Assessor shall have a field card printed and affixed to the abatement application.
2. The Assessor or a contracted agent shall conduct a site visit to the property for which the abatement application had been completed. Such site visit shall include an internal and external observation. No abatement application may be processed without a completed site visit.

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3. The Board of Assessors shall review all abatement applications during an executive session meeting. The applications are not public documents. The Board of Assessors shall notify the Assessor in writing as to their actions taken on the abatement applications.
4. If an abatement is granted, the Assessor shall provide a copy of the abatement to the Collector/Treasurer to be enter the abatement directly into VADAR. In addition, the Assessor shall notify the applicant of the Board of Assessor's decision within ten (10) days.
5. A copy of the abatement to the Collector/Treasurer shall be presented to the Town Accountant.
6. If an abatement is denied, the Assessor shall notify the applicant in writing within ten (10) days.
7. If denied or accepted in an amount the taxpayer is not satisfied, abatement applicants have three (3) months to file an appeal with the ATB.
8. The Board of Assessors may negotiate with the abatement applicant throughout the course of their appeal with the ATB until such time as the ATB has made a final decision.
9. If the ATB awards an abatement to a denied applicant or increases the abatement amount for an applicant that was unsatisfied with the Town's abatement, the Assessor shall communicate the ATB determination to the Collector/Treasurer with a completed abatement certificate(s) and a summarized listing of the abatements granted. This will then be entered into VADAR by the Collector/Treasurer.
10. If an abatement results in a payment due to the taxpayer a refund to the taxpayer will be included on the next vendor warrant prepared. Such warrant shall follow the procedures set forth in the vendor warrant processing section of the Manual.

EXCISE TAX ABATEMENTS

11. Applicants for excise tax abatements apply directly with the Assessor.
12. The Assessor shall not accept an application for a motor vehicle abatement unless the taxpayer has documentation supporting that the vehicle he/she was assessed an excise tax is no longer owned by the individual.
13. Provided the taxpayer's information is determined to be correct and appropriate, the Assessor may issue an abatement directly to the taxpayer. Such abatement will be input directly in Kelly & Ryan. The Assessor shall provide to the Board of Assessors a detail of all motor vehicle abatements processed at its regular posted meeting for review.
14. Each month a list of excise tax abatements processed shall be provided to the Collector/Treasurer.
15. If an abatement results in a payment due to the taxpayer, a refund to the taxpayer will be included on the next vendor warrant prepared. Such warrant shall follow the procedures set forth in the vendor warrant processing section of the Manual.
16. A copy of the abatement listing to the Collector/Treasurer shall be presented to the Town Accountant.

PROPERTY TAX EXEMPTIONS

17. The Board of Assessors shall maintain a schedule of Statutory Exemptions Qualifications and post said report in a public place. Amounts on this schedule shall be based on statutory requirements.
18. Exemption applicants must complete an application for exemption with the Assessor on or before March 1 of each year and provide supporting documentation for the exemption application.
19. The Assessor shall review all exemption applications and if determined to be valid and accurate, issue an exemption certificate to the applicant. The Assessor shall communicate said action to the Collector/Treasurer for entry into VADAR and provide to the Board of Assessors a detail of all exemptions processed at its regular posted meeting for review.
20. If an exemption results in a payment due to the taxpayer, a refund to the taxpayer will be included on the next vendor warrant prepared. Such warrant shall follow the procedures set forth in the vendor warrant processing section of the Manual.
21. A copy of the exemption to the Collector/Treasurer shall be presented to the Town Accountant.

4.06 – OTHER ADJUSTMENTS TO THE TAX BILLS

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To properly record in the Town's assessing and collection systems the correct amounts for valid adjustments to real estate tax bills.

POLICY

It is the Town's policy to include certain other charges on real estate tax bills. Such other charges may include (i) water/sewer liens, (ii) betterments, (iii) code enforcement charges, (iv) and community preservation act charges. Inclusion of these permissible amounts better ensures the collectability of these amounts as liens can be placed on real properties in the event on nonpayment.

PROCEDURES

1. The Assessor shall receive financial information from Code Enforcement and it's owns records relative to amounts to be added to property tax bills by early November each year.
2. The Collector/Treasurer receives information directly from the Water and Sewer Division regarding the water and sewer liens to be added to the property tax bills.
3. The Assessor shall review such charges and present them to the Board of Assessors for approval. Once approved, an Assessors Warrant to Collector/Treasurer will be prepared and the appropriate financial information input into VADAR by the Collector/Treasurer. The Collector/Treasurer shall initiate a commitment based on this warrant and include such amounts on the third and fourth quarter's property tax bill.

SECTION 5

WATER & SEWER

DIVISION

5.01 – SETTING THE UTILITY RATE

Initial Issuance Date	June 20, 2017
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Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To set the Town's utility rates in accordance with MGL as well as the ordinances adopted by the Town.

AUTHORITY

MGL Chapter 44, Section 53F½

POLICY

The Town's primary mission is to plan for, operate, and maintain both the infrastructure and the organization necessary to provide high quality drinking water, to provide an adequate and reliable water supply for all household, commercial, and community needs, and to protect the town's watersheds and quality of life by managing wastewater and stormwater effectively. The Town will review and adopt utility rates as needed to generate revenues required to fully cover operating expenses, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital.

The Director of Public Works will analyze and make recommendations about changes to the utility rates. The Board of Selectmen will be responsible for the evaluation and approval to changes in the utility rates.

PROCEDURES

1. On an annual basis, the Director of Public Works will be responsible for evaluating the propriety of the utility rates being charged by conducting a water and sewer rate analysis as part of the budget process.
2. The Director of Public Works will first prepare an operating and capital budget for the Water and Sewer Division. This will be used in the evaluation of the adequacy of the rates in place currently, when considering the Division's current as well as future operating expenses and capital needs. Additionally, billing analysis will be done to develop an understanding of the customer usage trends taking place.
3. Various scenarios will be calculated based on the results of the analysis conducted. Once the rate structure has been determined an impact analysis will be prepared. The impact analysis will provide a comparison of the total amount of a current water and sewer bills to the proposed water and sewer bills.
4. A presentation of the water and sewer rates proposed by the Director of Public Works will take place at a public Board of Selectmen meeting. This presentation will allow transparency in the analysis completed and the ultimate recommendation being made to the Board of Selectmen.
5. The Board of Selectmen will vote to either approve or deny changes to the utility rates.
6. In the event of an increase in estimated revenues for the Water and Sewer Division above prior fiscal year actual revenues it must be supported in writing to the Bureau of Accounts using rate analysis, usage data, new rate implementation dates, etc., for tax rate certification purposes.

5.02 – WATER & SEWER COMMITMENTS

Initial Issuance Date	June 20, 2017
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OBJECTIVE

To properly record in the Town's utility and collection systems the correct amounts of utility usage commitments.

AUTHORITY

MGL Chapter 44, Section 53F½

POLICY

It is the Town's policy to issue utility usage bills on a quarterly basis. All utility usage bills shall be preceded by a commitment from the Water & Sewer Division signed by the Director of Public Works, evidencing his/her review and approval, thereby authorizing the Department Specialist to generate the utility bills. The Town Collector/Treasurer is responsible for the collection of the amounts billed.

PROCEDURES

1. On a quarterly basis members of the DPW team will conduct meter readings for the calculation of the utility bills. This is generally done in June, September, December and March each year.
2. Once the meter readings have been collected they will be uploaded into the VADAR, the Town's collection system.
3. The Department Specialist will generate a preliminary billing report to review for any inconsistent or usual bills. After this review is completed and any discrepancies resolved the report will be handed off to the Water/Sewer Superintendent for a second review. After this review is completed and any discrepancies resolved the report will be handed off to the Director of Public Works for a final review.
4. Once the report is determined to be final a utility usage commitment based on the readings on the billing report and the approved utility rates will be prepared.
5. The commitment shall be signed by the Director of Public Works and forwarded to the Collector/Treasurer and the Town Accountant.
6. Once the commitment has been approved the Department Specialist will generate the utility bills from VADAR. The summary report resulting from the creation of the bills will be compared to the final report. If amounts agree the bills shall be mailed out by the Department Specialist.

5.03 – ADJUSTMENTS TO THE UTILITY BILLS

Initial Issuance Date	June 20, 2017
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OBJECTIVE

To properly record in the Town's utility and collection systems the correct amounts for valid adjustments to utility bills.

POLICY

Residents receiving senior or veteran property tax exemptions are eligible for discounts on the customer service charge on the water and sewer bills.

PROCEDURES

1. Exemption applicants must complete an application for exemption with the Assessor on or before March 1 of each year and provide supporting documentation for the exemption application.
2. The Assessor shall review all exemption applications and if determined to be valid and accurate, issue the discount directly in VADAR. The Assessor shall communicate said action to the Collector/Treasurer and Water and Sewer Division.
3. If an exemption results in a payment due to the taxpayer, the Collector/Treasurer will create a refund voucher and forward it to the Town Accountant for payment. Such voucher shall follow the procedures set forth in the vendor warrant processing section of the Manual.
4. A copy of the exemption to the Collector/Treasurer shall be presented to the Town Accountant.

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5.04 – LIEN PROCESSING

Initial Issuance Date	June 20, 2017
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OBJECTIVE

To establish formal policies regarding utility liens in accordance with MGL as well as the ordinances adopted by the Town.

AUTHORITY

MGL Chapter 40, Section 58
Town's Water Shut Off Policy
Town's Exceptional Water/Wastewater Bill Policy

POLICY

The Town shall be permitted to impose a lien on real property located within the Town for any water and sewer charge that has not been paid by the due date.

Utility account balances that have been added to the real estate tax bill shall accrued interest at the maximum allowable rate set by the state, which is currently 14% per annum.

PROCEDURES

1. Periodically the Director of Public Works will meet with the Collector/Treasurer to review the water and sewer accounts that are outstanding after their due date.
2. Together the Director of Public Works and the Collector/Treasurer will determine which accounts are at least 120 days delinquent and are to be sent a demand letter in accordance with the Town's approved Water Shut Off Policy. Accounts that have entered into a payment plan with the Collector/Treasurer in connection with the Exceptional Water/Wastewater Bill Policy will not be sent a demand letter as long as they are current with their payments as outlined in their approved payment plan.
3. Periodically the Collector/Treasurer will record of a list of unpaid municipal charges by parcel of land and by the name of the person assessed for the charge at the Worcester County Registry of Deeds.
4. If the charge remains unpaid when the real estate tax list is being prepared and warrant to be committed, the Collector/Treasurer shall add such charge to the tax on the property to which it relates and commit it with their warrant to the Collector of taxes.

SECTION 6

RECREATION DEPARTMENT

6.01 – PROGRAM DEVELOPMENT AND FEE SETTING

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To document the policy and procedures surrounding recreation program development and fee setting.

POLICY

To offer a variety of financially prudent programs and services which respond to changing needs and interested in the community.

PROCEDURES

1. At the regular monthly meetings, the Recreation Commission will discuss the need/demand for new program offerings.
2. The Town's Recreation Director shall continuously research and present his/her findings on new potential programs offerings to the Commission. The presentation shall include the following:
 - a. Expected level of interest
 - b. Expected cost to run the program
 - c. Proposed fee structure for the program
3. For programs that are added to the department's offerings the financial expectations of the program shall be documented and maintained for comparison to the program's actual results if it offered by the Town.

6.02 – PROGRAM REGISTRATION MAINTENANCE

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To document the policy and procedures surrounding program registration maintenance.

POLICY

The Town will maintain a centralized system to track and monitor all program registration activity.

PROCEDURES

1. The Recreation Director will establish an online registration system to provide a mechanism for program enrollment and registration tracking. Registrants must pay for their program participation at the time of enrollment.
2. The registration system shall house a full accounting of all program registrants in the event a registration takes place not through the online enrollment process (i.e. in-person or by mail) the Recreation Director must enter the participant into the registration system.
3. The listing of program registrants shall be provided to each of the program instructors/directors to take attendance daily. There shouldn't be anyone participating in the program that isn't on the registration list. The completed attendance sheets should be turned into the Recreation Director on a weekly basis.
4. Periodically the Recreation Director should perform spot checks of each program. This requires the Recreation Director to show up to the program unannounced with a copy of the program registrant listing. Either a headcount or attendance will take place to ensure that there are not any participants that have not registered and paid for participation.
5. The program registration system shall contain enough information to allow for a complete audit trail for verification of the accuracy and completeness of program revenue.

6.03 – PROGRAM SUSTAINABILITY AND RATE REVIEW

Initial Issuance Date	June 20, 2017
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Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To document the procedures surrounding recreation program offering's sustainability and program rate review.

POLICY

To offer a variety of programs and services that ensure the recreation revolving funds maintains financial sustainability.

The recreation revolving fund shall be responsible for bearing the cost of all recreation program related expenses inclusive of the salary and benefit expenses for the Recreation Director.

PROCEDURES

1. At the regular monthly meetings, the Recreation Commission will review the status of current programs offerings.
2. The Town's Recreation Director will provide a summary of all programs running currently. The summary shall include:
 - a. Frequency the program is running
 - b. Level of program participation
 - c. Revenues generated by the program
 - d. Program related expenses incurred and anticipated
3. The Recreation Commission will work with the Recreation Director to review the feasibility of continuing to offer each of the department's programs.
4. For programs running at a loss consideration shall be given to the following:
 - a. Increasing the fees to cover the cost of the program.
 - b. Finding operating efficiencies for the program.
 - c. Discontinuing the program offering.

6.04 – CASH COLLECTION SAFEGUARD PROCEDURES

Initial Issuance Date	June 20, 2017
Revision Date	
Approved By and Date	Board of Selectmen, June 20, 2017

OBJECTIVE

To document the procedures that are to be utilized to ensure safeguards are utilized regarding cash collections.

POLICY

The Recreation Commission along with the Recreation Director are responsible for establishing and maintaining a system of internal controls adequate to safeguard the cash collected by the department until such time as these funds are turned over to the Collector/Treasurer.

PROCEDURES

1. Regardless of amount, all department are required to remit departmental receipts together with a completed Schedule of Departmental Payments to the Collector/Treasurer's office at a minimum once per week. The Schedule of Departmental Payments must contain sufficient information to provide a complete audit trail to that will allow verification of the accuracy and completeness of the departmental receipts.
2. To prevent misappropriation of funds, an individual should not have responsibility for more than one of the cash handling components, which include collection of money, maintaining records, depositing of funds and reconciliation of accounts.
3. Prior to turning funds over to the Collector/Treasurer's office appropriate controls must be utilized to safeguard the monies. Cash and checks shall be stored in a safe or in a register, locked drawer, or lockbox. The number of employees having access to money stored in a department should be limited. Funds collected should **not** be kept in the following manner:
 - on one's person
 - in a personal bank account
 - in one's home or car
4. Supporting documentation to prove the completeness of the funds must be maintained.
 - Gate receipts: Attendants should utilize pre-numbered beach tickets system with issuance log (or another comparable system) to provide a mechanism to verify the completeness of the cash turned over.
 - Pay as you go programs: Instructors should utilize a sign-in sheet which should be turned in with the cash collected.
 - Any others: Must contain sufficient information to provide a complete audit trail to that will allow verification of the accuracy and completeness of the departmental receipts.
5. The employee(s) authorized to accept cash must undergo a background check.