

## **Fiscal Guidelines**

### **Definitions**

#### **NON RECURRING REVENUES (DEFINED)**

Non recurring revenues shall be defined as revenues outside of the tax levy that are not reasonably expected to be available for spending in the following year(s) such as, but not limited to, a one time gifts, mitigation payments regardless of how the payment is structured, donations, free cash or windfalls (such as proceeds from sale of assets).

#### **RECURRING REVENUES (DEFINED)**

Recurring revenues shall be defined as revenues that are reasonably expected to be available for spending in the following year(s).

#### **RECURRING EXPENDITURES**

Recurring expenditures shall be defined as expenditures that can reasonably be expected to continue from one year to the next in order to carry out the services and business of the Town of Stoneham. Operating budgets shall be considered reoccurring expenditures.

#### **NON RECURRING EXPENDITURES**

Non recurring expenditures shall be defined as expenditures that can not reasonably be expected to continue from one year to another. Capital expenditures are an example of a non reoccurring expenditure.

#### **OPERATING NON RECURRING EXPENDITURES**

Operating non recurring expenditures shall be defined as **an unanticipated or anticipated operating** expenditure that can reasonably expected not to continue from one year to another. An example of a non recurring expenditure would be moving costs associated with building of a new school.

#### **STABILIZATION ACCOUNT**

When used in these guidelines the term “stabilization account” shall include both the general stabilization and capital stabilization accounts.

## SECTION 1 General Funds

**Adoption Date:** 11/30/99

**Revised:** 11-1-12

**A. Annual Estimation of Revenue:** The purpose of this policy is to establish a general guideline for the Town Administrator and Town Accountant, with assistance from department heads, to estimate revenues during the annual budget process. The goal is to properly estimate all revenues at levels in which the Board of Selectmen and the Finance & Advisory Board can assume are achievable at a minimum. This will provide the Boards with a revenue estimate based on a high degree of probability to use during the budget process, which can then be used to determine the level of expenses that would be fiscally prudent. All revenue sources will be identified and noted with an appropriate risk assessment. The goal of this guideline is to protect the Town on the downside by providing a revenue estimate with a high degree of probability, and on the upside could yield surplus revenue to fund capital projects and reserves.

1. All potential revenue sources will be estimated and in accordance with State guidelines and will use current fiscal year revenues as a comparison.
2. State aid will be estimated by utilizing the State published estimates from the Cherry Sheet or other available government sources
3. The Tax Levy will be estimated by:
  - (a) Prior year tax levy 2 1/2%;
  - (b) Estimate new growth as established by the Town Assessor
4. Tax Liens, Deferred Taxes and Insurance Refund, free cash and unusual one time revenue will not be included in the revenue estimate.
5. Preliminary Local Receipts will be estimated by using the current fiscal year and the lower two of the last three fiscal years' receipts, times a realization factor for risk assessment.
6. The realization factor will be assessed by the Town Administrator, Town Accountant and Town Treasurer on a case by case, year by year basis and will be based on economic trends and analysis.

**B. Annual Debt Capacity (excluding any Debt Exclusion):** The purpose of this policy is to establish a guideline for maintaining an adequate level of debt to maintain and support the Town's infrastructure and to provide for new projects without financially hindering other services provided by the Town. In addition, the intent of Town government is to assure the citizens that the maximum debt service in any given year is reasonable. Given the limitations on revenues, and the limited amount of state aid, debt service needs to be prudent in order to not adversely impact government services.

1. The annual debt payments (principal and interest) for General Fund expenditures should not exceed 4% of the General Fund Budget for any given fiscal year.
2. The debt payments excludes "Debt Exclusion" and Bond Anticipation Notes "BANs", water and sewer debt and any other debt outside of the general fund.

**C. Capital Funding and Use:** The purpose of this policy is to establish a general guideline to fund the acquisition of, and improvements to, municipal and school physical assets in any given fiscal year, for the efficient provision of municipal and educational services.

1. On a semiannual basis, as part of the annual Town Meeting and the October Special Town Meeting process, the Capital Committee will present a five year capital plan. This plan will include both town and school requirements.
2. On an annual basis, regardless of funding ability, all capital needs (projected over the next five years) will be identified.
3. Capital improvements and equipment for municipal and educational services, of a substantial cost and a lengthy economic life can be funded through long term debt, in adherence to the Debt Capacity Policy.
4. Ongoing "cash" capital purchases, including replacement equipment, routine repair and upgrade projects for municipal and educational services will be funded as part of the general operating budget Department #918.
5. For purposes of this policy Capital shall be define as any tangible asset with a life span of greater than five (5) years and with a value of \$10,000 or greater that will increase their utility (through increased capacity or serviceability) or extend their total useful life.

**D. Finance and Advisory Board Reserve Fund:** The purpose of this policy is to establish a general guideline to provide for extraordinary or unforeseen expenditures, the town may at the annual or special town meeting appropriate or transfer a sum or sums not exceeding \$50,000 from the prior year's surplus revenue, if any. No direct drafts shall be made, but transfer

from the fund may from time to time be voted by the Finance and Advisory Board, in accordance with their Reserve Fund Policy, and the Town Accountant shall make such transfers accordingly.

- E. General Stabilization Account:** The purpose of this policy is to establish a general guideline of building the Stabilization account in order to protect the services of the Town during a down economy, capital, or material unforeseen expenditures which otherwise would cause a dramatic change in the tax rate. The use of the Stabilization Account to fund operating and personnel costs should be avoided whenever possible.
1. Appropriate no less than 10% of available Surplus Revenue after reserve fund is met, at the Annual October Special Town Meeting, and/or replenish the account at the same level of withdrawals during the past fiscal year. Which ever is greater.
  2. Achieve a minimum balance in the Stabilization Account of 10% of the Town's General Fund.
  3. The Stabilization Account should be invested in a separate investment account and invested in accordance with the guidelines of the Town's Investment Guideline and Massachusetts General Laws.

- G. Surplus Revenues (Certified Free Cash):** The purpose of this policy is to establish a general guideline for the appropriation of Surplus Revenues.

1. After the end of each fiscal year, the Town Accountant submits a financial statement to the Department of Revenue (DOR). The DOR calculates and certifies the available Surplus Revenues. Once certified by the DOR the Surplus Revenues become available for appropriation by the Town.
2. Since Surplus Revenues are unpredictable, it is the policy of the Town to use Surplus Revenues for non-personnel and non-operating expenses. Surplus Revenues should be used to fund such items as capital purchases/projects, increases to the Stabilization Account, Finance and Advisory Board Reserve Fund and unusual one time expenditures

## **Fiscal Guideline**

### **SECTION 2. Debt vs. Cash**

**Adopted Date: 11-30-99**

**Revised: 11-1-12**

- A. The purpose of this policy is to establish a guideline for determining whether to increase debt or pay with available funds for capital items.
- B. The Town Administrator will be responsible for recommending whether to pay cash or increase debt for certain capital items. His decisions will be based on the following criterion, along with the input of the Town Accountant and Town Treasurer. The Board of Selectmen and the Finance & Advisory Board should review the decision for reasonableness.
  - 1. This policy is aimed at capital items in the range of \$50,000 to \$250,000. For those items below \$50,000 cash should be used for the acquisition unless the financial condition of the Town is insufficient. For those items in excess of \$250,000, debt should be considered.
  - 2. The Town Administrator will consider the overall financial condition of the Town when determining whether to increase debt or pay cash. Such factors as reviewing whether the Town has met or exceeded its minimum policy of all reserve funds such as: Stabilization; Overlay; Department #132 Reserve Fund; etc. In addition, the Town Administrator must determine if there is borrowing capacity under the limitations established in the Debt Capacity Fiscal Policy.
  - 3. If the Town has met or exceeded its cash reserve guidelines at a minimum, and is below the maximum debt capacity guidelines, the Town Administrator will then do an economic analysis with the Town Accountant and Town Treasurer. An analysis would be done to compare the cost of borrowing (interest expense) vs. the potential of earnings (interest income) if reserves remain untouched for the acquisition. The analysis should be based on conservative estimates of future earnings potential vs. currently known borrowing rates. Should the analysis show an unfavorable position towards borrowing, then the Town Administrator will recommend using available funds, if any. Should the reserve funds not meet established goals, then the Town Administrator will recommend borrowing.

## **Fiscal Guideline**

### **SECTION 3. Investments**

**Adopted Date:** 11-30-99

**Revised:** 11-1-12

#### **PART I:**

The Investment of General Funds, Special Revenue Funds, and Capital Projects funds.

#### **A. Scope**

This part of the policy applies only to short term operating funds such as general funds, special revenue funds, enterprise funds and capital project funds. Part II will deal with trust funds, bond proceeds, and any other funds with special circumstances such as stabilization funds. The Town Retirement Board is responsible for the investment of the pension funds.

#### **B. Objectives**

Massachusetts General Laws, Chapter 44, section 558 requires the municipal treasurer to invest all public funds except those required to be kept uninvested for the purpose of immediate distribution. Modern banking systems enable the public treasurer to maintain even these funds in interest bearing form until the date a disbursement order clears through the banking system. The state law further requires that invested funds be placed at the highest possible rate of interest reasonably available, taking into account safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest return that is consistent with safety of principal while meeting the daily cash requirements for the operation of Town's business.

Safety of principal is the foremost objective of the investment program.

Investments will be undertaken in a manner that seeks to ensure the preservation of capital through the mitigation of credit risk and interest rate risk. These risks shall be lessened by diversification and prudent selection of investment instruments, and choice of bank or brokerage house. Credit risk is the risk of loss due to the failure of the security issuer or backer. Interest rate risk is the risk that the market value of the security will fall due to changes in general interest rates.

Liquidity is the next most important objective. The overall investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the treasurer shall carry out investment activities in a manner that provides for meeting unusual cash demands without the liquidation of investments that could result in forfeiture of accrued interest earning, and loss of principal in some cases.

Yield is the third and last objective. Investments shall be made so as to achieve the best rate of return, taking into account safety and liquid constraints as well as all legal requirements.

### C. Investment Instruments

Public investments in Massachusetts are not protected through provisions in State law. Therefore, they are largely uncollateralized. Many banking institutions are willing to put up collateral, albeit at a cost to the entity of a lower interest rate. The Treasurer negotiates for the highest rates possible, consistent with safety principles.

The Treasurer may invest in the following instruments:

1. Massachusetts State pooled funds: Unlimited amounts (pool is liquid). The Massachusetts Municipal Depository Trust (MMDT), an investment pool for state, local, county and independent governmental authorities, is under the auspices of the State Treasurer and currently managed by Fide\* investments. It invests in Bankers Acceptances, Commercial Paper of high quality, Bank Certificates of Deposit, Repurchase agreements (Repos), and U.S. Treasury Obligations. It has Federal Deposit Insurance Corporation (F.D.I.C.) pass-through insurance on the C.D.'s and takes delivery on the Repos and Treasuries. Under Government Accounting Standards Board Regulation (GASB III), it is not considered an uncollateralized product.
2. U.S. Treasuries that will be held to maturity: Unlimited amounts (up to one year maturity from date of purchase).
3. U.S. Agency obligations that will be held to maturity amounts (up to one year maturity from date of purchase).
4. Bank accounts or Certificates of Deposit hitherto termed C.D.'s.

---

Will be insured by the FDIC for a maximum amount of \$245,000

5. Bank accounts and C.D.'s (up to one year) fully insured by F.D.I.C. and in some cases also Depository Insurance Fund of Massachusetts (DAY.): All bank accounts and C.D.'s in one institution are considered in the aggregate to receive the \$100,000 insurance coverage.
6. Unsecured bank deposits of any kind such as other checking, savings, money market, or Certificates of Deposit accounts at Banks that do not

fit the above categories. These investments are subject to the following limitations: These investments will be limited to no more than 5% of an institution's assets and no more than 10% of the Town's cash. Their credit worthiness will be tracked by Veribanc, Sheshunoff, or other bank reporting systems. They will be diversified as much as possible. C.D.'s will be purchased for no more than three months and will be reviewed frequently.

7. Repurchase Agreements ("Repos"), not to exceed ninety days.
8. Certain mutual funds, under Chapter 44, Sec. 55 of MGL, as amended by Chapter 314 of the Acts of 1996.

#### D. Diversification

Diversification should be interpreted in two ways: in terms of Maturity, as well as instrument type and issuer. The diversification concept should include prohibition against over concentration of maturities as well as concentration in a specific institution. With the exception of U.S. Treasuries or agencies, and State pools (MMDT), no more than 10% of the Town's investments should be invested in a single financial institution.

#### E. Authorization

The Treasurer has authority to invest the Town's funds, subject to the statutes of the Commonwealth cited above.

#### F. Ethics

The Town Treasurer (and Assistant Treasurer) shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair ability to make impartial investment decisions. Said individuals shall disclose to the Chief Executive Officer any material financial interest in financial institutions that do business with the town. They shall also disclose any 'large personal financial investments positions or loans that could be related to the performance of the town's investments.

#### G. Relationship with Financial Institutions

Financial institutions should be selected first and foremost with regard to safety. The Town should subscribe to and use one or more of the recognized bank rating services, such as Veribanc or Sheshunoff. Brokers should be recognized, reputable dealers.

The Treasurer shall require any brokerage houses and broker/dealers, wishing to do business with the municipality, to supply the following information to the Treasurer:

1. Audited financial statements
2. Proof of National Association of Security Dealers certification.  
Proof of credit worthiness (minimum standards: at least five years in operation and a minimum capital of 10 million dollars).

#### H. Reporting Requirements

An annual report containing the following information will be prepared by the Treasurer and given to the Town Administrator. This report will include the following information, as a minimum requirement:

1. A listing of the individual accounts and individual securities held at the end of the reporting period.
2. A listing of the short-term investment portfolio by security type and maturity to ensure compliance with the diversification and maturity guidelines established in the "Diversification" section of this investment Policy.
3. The Treasurer shall include in the report a brief statement of general market and economic conditions and other factors that may affect the Town's cash position.
4. The report should demonstrate the degree of compliance with the tenets set forth in the Investment Policy.

#### PART II:

##### The Investment of Trust Funds and Bonds Proceeds

#### A. Scope

This section of the policy applies only to funds that could be invested long term (i.e.: bond proceeds, trust funds, and stabilization funds).

#### B. Bond Proceeds

Investments of Bond proceeds are governed by the same restrictions as general funds, with the additional caveat of arbitrage regulations.

#### C. Trust Funds

Trust Funds may be co-mingled and invested in any instruments allowed by Legal List issued by the Banking Commissioner. Each trust fund must be accounted for separately.

#### D. Stabilization Funds

The Stabilization Fund shall not exceed ten percent of the equalized valuation of the town, and any interest shall be added to and become a part of the fund.

The treasurer may invest the proceeds in the following:

1. National Banks
2. Savings Banks
3. Cooperative banks or trust companies organized under Massachusetts laws
4. Securities legal for savings banks (i.e. those on the Legal List described above)
5. Federal Savings and Loan Association situated in the Commonwealth
6. Approved Money Market funds.

Treasurer's/Tax Collector's Fees

	<u>FEES</u>
Municipal Lien Certificates	
Single Family home	\$ 50.00
Four or More Units in one home	\$100.00
Commercial Property	\$150.00
Bounced Checks	\$ 30.00
Demand Bills	\$ 15.00
Betterment Releases	\$ 4.00
Prepare Redemption Certificate	\$ 14.00
Lien Preparation	\$ 15.00
Advertising Preparation	\$ 10.00
Lien Advertising	\$ 25.00
Posting Notice	\$ 5.00
Registry Filing Fee	\$ 75.00
Redemption Fee (for Registry of Deeds)	\$ 75.00
Foreclosure Attorney Letter	\$100.00
Foreclosure Attorney Fee	\$500.00
Foreclosure Recording	\$ 75.00
Land Court Filing Fee	\$515.00
Land Court Re-open Fee	\$ 21.00

## Fiscal Guideline

### SECTION 4 . Sanitary Sewer Fund

**Adoption Date:** 11/30/99

**Revised:** 11-1-12 \_ PART I

Approximately 98% of the residents of the Town of Stoneham are serviced by the sanitary sewer system. The Town has close to 65 miles of sewer mains within the Town and five sewer-pumping stations. Many of the mains were installed at the turn of the century and are still in use. The Town is currently replacing approximately one (1) mile of sanitary sewer main per year. The areas that are targeted are based on the studies, which have been conducted on the system. The construction work is being done to reduce the infiltration and inflow into the sanitary sewer system, which if not done has the effect of raising rates and degrading our system.

#### **PART II**

**A. Revenue Estimate:** The purpose of this policy is to establish a general guideline for the Town Administrator, Town Treasurer and Town Accountant to use to estimate sanitary sewer revenues during the annual budget process.

1. Revenues will be estimated based on anticipated expenses.

**B. Annual Debt Capacity (Excluding any Debt Exclusion):** The purpose of this policy is to establish a guideline for maintaining an adequate level of debt to maintain and support the sanitary sewer services' infrastructure and to provide for new projects without financially hindering other services provided by the Town. In addition, the intent of Town government is to assure the citizens that the maximum debt service in any given year is reasonable. Given the limitations on revenues, and the limited amount of state aid, debt service needs to be prudent in order to not adversely impact government services. •

**C. Capital Funding and Use:** The purpose of this policy is to establish a guideline to fund the acquisition of, and improvements to, sanitary sewer physical assets in any given fiscal year, for the efficient provision of sanitary sewer services.

1. On an annual basis, regardless of funding ability, all capital needs, projected over the next five years will be identified.

2. Capital improvements and equipment, for sanitary sewer services, of a substantial cost and a lengthy economic life can be funded through long term debt.
3. Ongoing "cash" and/ or debt capital purchases, including replacement equipment, routine repair and upgrade projects for sanitary sewer services should be funded through the appropriate warrant articles. As a general guideline, an appropriation of \$300,000 to \$500,000 for any given fiscal year will be considered for sewer service
4. Capital items removed from the annual budget, for sanitary sewer services can be considered for appropriation at the Annual October Special Town Meeting or other Special Town Meetings.

**D. Sanitary Sewer Retained Earnings Account:** The purpose of this policy is to establish a general guideline of maintain a minimum and maximum balance within the account in order to protect the finances of the Town during a down economy, or material unforeseen expenditures which otherwise would cause a dramatic change in the sanitary sewer rates.

1. The Sanitary Sewer Retained Earnings Account balance will be targeted to maintain a minimum of 10%, but not to exceed a maximum of 15% of the Sewer Fund annual budget including warrant articles. Capital improvements and equipment, for sanitary sewer services, of a substantial cost and a lengthy economic life can be funded through long term debt.

### **Fiscal Guideline**

## **SECTION 5. Water Fund**

**Adoption Date:** 11/30/99

**Revised:** 11-1-12 \_

### **PART I:**

There are seventy-five (75) miles of water mains within the Town of Stoneham. The Town is currently replacing approximately one (1) mile of water mains per year. The Town has a comprehensive plan, which is followed to ensure that the mains that are in the most need of replacement and repair are the first to be targeted. At this rate the system is being replace on a 75-year cycle the maximum usable life on can expect from a mechanical system.

In addition to the Water Main Replacement Program, the Town also has a Water Meter Replacement Program in which approximately 400 water .meters are replaced each year. This insures that the oldest water meter in service is fifteen years of age. The Town is also installing remoter readers and automating the reading and billing systems.

**A. Revenue Estimate:** The purpose of this policy is to establish a general guideline for the Town Administrator, Town Treasurer and Town Accountant to use to estimate water revenues during the annual budget process.

1. Revenues will be estimated based on anticipated expenses.

**B. Annual Debt Capacity (Excluding any Debt Exclusion):** The purpose of this policy is to establish a guideline for maintaining an adequate level of debt to maintain and support the water services' infrastructure and to provide for new projects without financially hindering other services provided by the Town. In addition, the intent of Town government is to assure the citizens that the maximum debt service in any given year is reasonable. Given the limitations on revenues and the limited amount of state aid, debt service needs to be prudent in order to not adversely impact government services

**C. Capital Funding and Use:** The purpose of this policy is to establish a guideline to fund the acquisition of, and improvement to, water physical assets in any given fiscal year, for the efficient provision of water services.

1. On an annual basis, regardless of funding ability, all capital needs, projected over the next five years will be identified.

2. Capital improvements and equipment, for water services, of a substantial cost and a lengthy economic life can be funded through long term debt.

3. Ongoing "cash" and/ or debt capital purchases, including replacement equipment, routine repair and upgrade projects for water services should be funded through the appropriate warrant articles. As a general guideline, an appropriation of \$300,000 to \$500,000 for any given fiscal year will be considered for water service.

4. Capital items removed from the annual budget, for water services can be considered for appropriation at the Annual October Special Town Meeting or other Special Town Meetings.

**D. Water Retained Earnings Account:** The purpose of this policy is to establish a general guideline of maintaining a minimum and maximum balance within the account, in order to protect the finances of the Town during a down economy, or material unforeseen expenditures which otherwise would cause a dramatic change in the water rates.

1. The Water Retained Earnings Account balance will be targeted to maintain a minimum of 10%, but not to exceed a maximum of 15% of the Water Fund annual budget including warrant articles.

## **Compensatory Time Statement**

**Compensatory time is a useful tool in managing operations within a defined budget. However compensatory time should be treated as the liability that it is and should only be used with the utmost discretion by department heads. Compensatory should be managed so as to limit the liability to the tax payers of Stoneham.**

## APPENDIX

### ***Departmental Turn-in of Cash, Checks, POS, Online deposits to the Treasurer's Office***

This policy pertains to departments, both Town and School that accept payments in some form, such as cash, checks, on-line payments and/or POS.

With few exceptions the following will be the Standard Operating Procedures for submitting money/deposits to the Treasurer's office and shall be included in the Town's fiscal guidelines.

**1. Department/Clerk accepts payment for service.**

- **Cash payments** – Clerk should count the amount received and make a note to each denomination that shall be equal totaled equaled to the amount paid. the clerk shall give the customer some form of receipt which should specify the amount and the date received.
- **Checks** – Checks should be written to the Town of Stoneham, dated, and signed. The Clerk should verify that the written amount matches the numerical amount. (The bank will always process the written amount). Each check needs to be endorsed by the receiving department.
- **Point-of-sale "POS"** - Currently only the Treasurer's Office and the Golf Course are accepting this form of payment. Once the payment is processed the clerk and the customer must verify, the customer is required to sign off on the report showing the total payment authorized.
- **On-line Payments** – The School and Athletic Department accepts online payments. (How do we handle?)

**2. All deposits must be stored in a secure location.**

It is recommended that if a Department is in receipt of a large amount of cash it should be turned into the Treasurer's Office immediately. ( what would be considered a large amount?) I feel it should be stronger than a recommendation.

**3. Prepare deposit**

Each department shall run a tape of their total deposits specifying the breakdown of checks and cash.

The following departments shall make their deposits directly to Eastern bank.

- **Unicorn Golf and Stoneham Oaks.** Deposits are brought to Eastern Bank as needed, (again should be a dollar amount) often daily in the summer months. They have access to the night drop-off box.
- **Arena.** The Arena employee so designated shall make their deposits directly into Eastern by utilizing our courier. They currently have pickups scheduled for Fridays but can add more and change as needed.( should have certain days for pick up)
- **Cafeteria.** Money is collected daily at each Cafeteria. These deposits are totaled and then brought to the High School Business Office, then brought to the Treasurers Office via the van driver. Beginning November 19<sup>th</sup> they will begin dropping off on a daily basis. (what do we do to ensure the amount received is correct?)
- **Student Activity Accounts.** The Student Activity Accounts are handled by the Secretaries at the high school and middle school. Both secretaries prepare the deposit and bring them directly to Eastern Bank.

All Departments that make their own deposits shall utilize the taper proof deposits bags provided by the bank. Each bag must be numbered and sealed. Each department shall have specific deposit slips they use to identify their deposit. *(If the bank finds a discrepancy in the deposit then the Assistant Treasurer's is contacted immediately)*

#### 4. **Enter receipt into MUNIS**

- Prior to submitting funds to the Treasurer's Office all deposits/transactions need to be inputted into MUNIS. Each Department shall be instructed on how to create a batch in MUNIS. This will record what each payment is for and for how much. (Board of Health, Weights & Measures, and Library are the only departments currently not inputting their information directly into MUNIS.)
- The Departments that deposit their money directly into Eastern shall input their information into Munis. Instead of money they will turn in proof of their deposit to the Treasurer's Office.

#### 5. **Deposit Turn-in to Treasurer's Office**

A complete deposit shall include the following:

- a. Munis batch report
- b. Munis Sign-off sheet – 2 (One gets turned into Accounting (signed) the other gets turned into the Treasurer's Office – unsigned)).
- c. Cash, checks, proof of online deposits (total must match the batch total) Departments that deposit their

money directly into Eastern would turn in proof of deposits via online bank statement.

- All deposits shall be turned into the Treasurer's Office no later than Thursday morning unless the amount exceeds \$500 however money can be turned in anytime prior.
- Month end deposits shall be turned in on the last day of the month **NO LATER THAN 10:00 AM**. (A reminder email will be sent prior).
- The Treasurer's Office verifies all turn-ins. A signed receipt is given back to the department as proof. If there is a discrepancy in the deposit the department is notified immediately.

**6. Weekly Treasurer's Deposit**

Once a week or more frequently, the Treasurer's Office shall deposit all funds received from departments into Eastern Bank, normally on Thursday. The deposit is verified a second time, then prepared for pick-up. All deposits (Cash, Checks, POS, and Direct Deposits) are totaled then verified against the total batches in MUNIS.

The Treasurer's Office utilizes the services of a courier.

***Departmental Turn-in of Cash, Checks, POS, Online deposits to the Treasurer's Office***

The majority of our departments both Town and School accept payments in some form, such as cash, checks, on-line payments and/or POS.

With some exceptions the following will be the Standard Operating Procedures for submitting money/deposits to the Treasurer's office and shall be included in the Town's fiscal guidelines.

**1. Department/Clerk accepts payment for service.**

- **Cash payments** – Clerk should count the amount received and make a note to each denomination that shall be equal totaled equaled to the amount paid. the clerk shall give the customer some form of receipt which should specify the amount and the date received.
- **Checks** – Checks should be written to the Town of Stoneham, dated, and signed. The Clerk should verify that the written amount matches the numerical amount. (The bank will always process the written amount). Each check needs to be endorsed by the receiving department.
- **Point-of-sale "POS"** - Currently only the Treasurer's Office and the Golf Course are accepting this form of payment. Once the payment is processed the clerk and the customer must verify, the

customer is required to sign off on the report showing the total payment authorized.

- **On-line Payments** – The School and Athletic Department accepts online payments. (How do we handle?)

**2. All deposits must be stored in a secure location.**

It is recommended that if a Department is in receipt of a large amount of cash it should be turned into the Treasurer's Office immediately. ( what would be considered a large amount?) I feel it should be stronger than a recommendation.

**3. Prepare deposit**

Each department shall run a tape of their total deposits specifying the breakdown of checks and cash.

The following departments shall make their deposits directly to Eastern bank.

- **Unicorn Golf and Stoneham Oaks.** Deposits are brought to Eastern Bank as needed, (again should be a dollar amount)often daily in the summer months. They have access to the night drop-off box.
- **Arena.** The Arena employee so designated shall make their deposits directly into Eastern by utilizing our courier. They currently have pickups scheduled for Fridays but can add more and change as needed.( should have certain days for pick up)
- **Cafeteria.** Money is collected daily at each Cafeteria. These deposits are totaled and then brought to the High School Business Office, then brought to the Treasurers Office via the van driver. Beginning November 19<sup>th</sup> they will begin dropping off on a daily basis. (what do we do to ensure the amount received is correct?)
- **Student Activity Accounts.** The Student Activity Accounts are handled by the Secretaries at the high school and middle school. Both secretaries prepare the deposit and bring them directly to Eastern Bank.

All Departments that make their own deposits shall utilize the taper proof deposits bags provided by the bank. Each bag must be numbered and sealed. Each department shall have specific deposit slips they use to identify their deposit. *(If the bank finds a discrepancy in the deposit then the Assistant Treasurer's is contacted immediately)*

**4. Enter receipt into MUNIS**

- Prior to submitting funds to the Treasurer's Office all deposits/transactions need to be inputted into MUNIS. Each Department shall be instructed on how to create a batch in MUNIS. This will record what each payment is for and for how much.

(Board of Health, Weights & Measures, and Library are the only departments currently not inputting their information directly into MUNIS.)

- The Departments that deposit their money directly into Eastern shall input their information into Munis. Instead of money they will turn in proof of their deposit to the Treasurer's Office.

#### **6. Deposit Turn-in to Treasurer's Office**

A complete deposit shall include the following:

- a. Munis batch report
  - b. Munis Sign-off sheet – 2 (One gets turned into Accounting (signed) the other gets turned into the Treasurer's Office – unsigned)).
  - c. Cash, checks, proof of online deposits (total must match the batch total) Departments that deposit their money directly into Eastern would turn in proof of deposits via online bank statement.
- All deposits shall be turned into the Treasurer's Office no later than Thursday morning unless the amount exceeds \$500.00 however money can be turned in anytime prior.
  - Month end deposits shall be turned in on the last day of the month **NO LATER THAN 10:00 AM**. (A reminder email will be sent prior).
  - The Treasurer's Office verifies all turn-ins. A signed receipt is given back to the department as proof. If there is a discrepancy in the deposit the department is notified immediately. (should we not count the deposit with the employee turning in the deposit?)

#### **6. Weekly Treasurer's Deposit**

Once a week or more frequently, the Treasurer's Office shall deposit all funds received from departments into Eastern Bank, normally on Thursday. The deposit is verified a second time, then prepared for pick-up. All deposits (Cash, Checks, POS, and Direct Deposits) are totaled then verified against the total batches in MUNIS.

The Treasurer's Office utilizes the services of a courier.