

TOWN OF BLACKSTONE

Financial
Policies and Procedures

**Town of Blackstone
Financial Policies & Procedures**

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Bill Paying and Payroll	Issue Date: 12/13/16
Employee Expense Reimbursement	Policy & Procedure No. 1.1

Objective:

To establish policies and procedures for the effective handling and efficient timely payments of obligations of the Town to the employees for personal expenses incurred in order to efficiently fulfill ones responsibilities on behalf of the Town.

Departments Affected:

All departments, boards and commissions incurring out of pocket reimbursable expenses.

Policy:

When an employee on behalf of the Town has out of pocket expenses that are reimbursable by the Town, the employee shall submit on Employee Reimbursement Voucher. The voucher shall be approved and signed by the department head or the majority of the board members or commissioners of said employee and turned over along with the **original** receipt to the accounting office. Employee out of pocket expenses should be limited to occasions when absolutely necessary.

Procedures:

- Employees submit receipt to department head.
- The department head takes responsibility of deeming the expense necessary and work related.
- The department head determines the proper expense account to debit.
- Employee Reimbursement Vouchers are to be submitted to the accounting office by 12 noon on Wednesday along with all other departmental bills payable in order for reimbursement to be made for the following period.

General Considerations and Guidelines:

- Reimbursement should only be made only when the amount being paid could not be paid directly to the vendor.
- Workshops and membership dues should go through the regular warrant process whenever possible to avoid out of pocket expenses unless absolutely necessary.
- Employees must use the Town's Tax Exempt number when making purchases for the Town. Sales tax is not a reimbursable expense. The department head can obtain the tax exempt number from the Treasurer.

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Bill Paying and Payroll	Issue Date: 12/13/16
Employee Travel Expense Reimbursement	Policy & Procedure No. 1.2

Objective:

To establish policies and procedures for the effective handling and efficient timely payments of obligations of the Town to the employees for personal expenses incurred during necessary travel to conferences, trainings and meetings in order to efficiently fulfill ones responsibilities on behalf of the Town.

Departments Affected:

All departments, boards and commissions incurring out of pocket reimbursable expenses.

Policy:

When an employee on behalf of the Town has out of pocket expenses that are reimbursable by the Town, the employee shall submit a Travel Expense Voucher. The voucher shall be approved and signed by the department head or the majority of the board members or commissioners of said employee and turned over along with the original receipt to the accounting office. Employee travel expenses should be limited to occasions when absolutely necessary and provide a public benefit.

Procedures:

- Employees submit receipt to department head.
- The department head takes responsibility of deeming the expense necessary and work related.
- The department head determines the proper expense account to debit.
- Travel Expenses Vouchers are to be submitted to the accounting office by 12 noon on Wednesday along with all other departmental bills payable in order for reimbursement to be made for the following period.

General Considerations and Guidelines:

- Mileage reimbursement must be detailed on a Travel Reimbursement Form describing the destination and the number of miles traveled. Mileage to be paid at a rate consistent with the existing rate established by the Federal Government.
- Out of State Travel must be authorized through the Town Administrator's Office
- Reimbursement should be in methods that are at the least cost of the Town. Conferences offered by organizations that the employees are members usually offer hotel accommodations and meals. Any expenses incurred above these packages will be at the employee's expense unless the accommodations are equal or less then the package offered.
- Workshops and membership dues should go through the regular warrant process whenever possible to avoid out of pocket expenses unless absolutely necessary.

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- Employees should use the Town's Tax Exempt number when making purchases for the Town. Sales tax is not a reimbursable expense. The department head can obtain the tax exempt number from the Treasurer.
- If meals are not included in the conference, the employee will be reimbursed for three meals per day, including up to 20% tip. A Travel Reimbursement Voucher should be submitted along with the detailed receipt for expenses. A summary credit card receipt is not acceptable. No alcoholic beverages will be reimbursed.
- Seminar and conference reimbursement must be accompanied by conference description, cost, name of persons attending and a copy of a cancelled check, front and back, or a paid receipt with the company name and amount charged, a certificate of completion as evidence of payment, or other evidence of payment to acknowledge attendance.

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Bill Paying and Payroll	Issue Date: 12/13/16
General Invoice Payment Process	Policy & Procedure No. 1.3

Objective:

To establish policies and procedures for the effective handling and efficient timely payments of vendor obligations incurred in order to efficiently fulfill department responsibilities on behalf of the Town.

Departments Affected:

All departments, boards and commissions incurring departmental expenses necessary, reasonable and directly related to the conducting of Town related Business.

Policy:

When a department on behalf of the Town has incurred expenses that are reimbursable by the Town, the department shall submit a Schedule of Departmental Bills Payable. The schedule shall be approved and signed by the department head and turned over along with the original receipt to the accounting office. Documents submitted to the accounting office without prior authorization and supporting documentation will not be processed. Vendor payments shall be made directly to the vendor. Any checks being held for the department head becomes the responsibility of that department to ensure payments are distributed to the proper vendor.

Procedures:

- Review the invoice. To avoid double payments, the Town will only pay from original invoices. If a payment stub is not supplied with the original invoice, an additional photocopy should accompany the original invoice. Investigate any previous balances because it is not considered an original invoice and cannot be paid. Check to be sure that no sales tax is being charged to the Town. Sales tax is non-payable, as the Town is a tax exempt entity.
- All invoices must be signed by the department head to certify that, the goods have been received, services have been provided, delivery is satisfactory, and that the supporting documents are accurate, complete and in compliance with all related laws and regulations.
- Attach procurement data form as required by the Uniform Procurement Act.
- If the purchase is over \$5,000 there must be a Town written and signed contract by the vendor and the Town personnel authorized by the Selectboard to oversee such purchases as well as the Accountant to ensure availability of funds.
- Prepare a Schedule of Departmental Bills Payable listing all bills to be paid with signature of approval by the department head or board majority. The schedule must include account name and expense account number to be charged, vendor name, vendor number, and remittance address, amount to be paid to that vendor, and the total amount for the schedule.
- All bills shall be paid on one schedule, whenever possible, but a separate schedule for each department.
- Schedule of Departmental Bills Payable are to be submitted to the accounting office by 12 noon on Wednesday in order to be included on the warrant for reimbursement to be made the following period. Any late submittals will not be processed until the following warrant.

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- The accounting office will process the warrants on Friday by 4 PM for review.
- Checks are mailed the following Thursday. All checks must be mailed directly to the vendor. The Town Treasurer must approve any exceptions.

General Considerations and Guidelines:

- The accounting office shall maintain a listing by name and position with a signature for each municipal official authorized to make payments.
- Elected boards shall approve their departmental Schedule of Departmental Bills Payable. A majority of the board is required to sign the Schedule of Departmental Bills Payable.
- If it is determined that an adjustment must be posted to the accounting system for any reason, (incorrect account number reported) a memo should be sent to the accounting department requesting the correction. The request must include the original account number, the corrected account number and the amount.
- Any credits due to vendor error that have already been charged to the account number will be reimbursed, providing proper documentation supporting the credit is submitted along with a memo stating the reason for the credit. Otherwise all reimbursements or credits will be deposited as revenue to the general fund.
- Any department experiencing question as to whether an invoice has been paid should direct their questions to the Town Treasurer. The Town Treasurer is responsible for check reconciliation and therefore the point of contact for cleared check confirmation.
- The Accountant and a majority of the Selectboard must sign the Vendor Warrant prior to payments being disbursed.

Accountant's Office Review of Payables

- The Assistant Accountant shall review all invoices submitted for:
 - Mathematical accuracy
 - Vendor name and remittance address
 - Sales tax has not been charged
 - Discounts have been utilized
 - Verification of fund, org and account code charged
 - Compliance with procurement requirements
 - Sufficiency of funds
- After entering all invoices, the Assistant Accountant shall run a MUNIS Preliminary Warrant and verify that the MUNIS Warrant Total reconciles to the grand total of each department's Schedule of Bills Payable for the week.
- The Preliminary Warrant will also identify and allow adjustments to the warrant in progress due to any accounts with insufficient funds.
- The Accountant shall review all invoices for
 - Appropriateness of fund and account charged
 - Sufficiency of funds
 - Confirm expenditure is not fraudulent, unlawful or excessive
- In the instance under MGL 41 section 56 in the case of insufficient funds or suspicion of fraudulent, unlawful or excessive expenditures, the invoices shall be removed from the warrant by the Accountant and the invoices shall not be paid until budgeted funds are transferred or expenditure is researched for appropriateness.

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- If a check has already been produced the Accountant shall in writing inform the Treasurer/Collector of any invoices be withheld for payment.

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Bill Paying and Payroll	Issue Date: 12/13/16
General Clothing Allowance Reimbursement	Policy & Procedure No. 1.4

Objective:

To establish policies and procedures for the effective handling and efficient timely payments of obligations of the Town to the employees for the contractual obligation of providing reimbursement for clothing purchased or cleaning provided to efficiently fulfill ones responsibilities on behalf of the Town.

Departments Affected:

All departments, boards and commissions incurring personal expenses for clothing deemed necessary, reasonable and directly related to the course of one's duties subject to contractual obligations.

Policy:

When an employee has incurred expenses for uniforms, equipment and clothing used during work related hours, which may be reimbursable by the Town, the employee shall submit an Employee Clothing Reimbursement Worksheet. The worksheet shall be approved and signed by the department head of said employee and turned over to the accounting office. Payment shall be made to the employee via paper check for uniform reimbursement. Clothing purchased that does not constitute a uniform (suits, shirts, ties etc...) are taxable and will be reimbursed as a stipend via payroll processing.

Procedures:

- Employees shall submit a signed Employee Clothing Reimbursement Worksheet to the department head or their designee along with the original receipt.
- The department head takes responsibility of deeming the purchase accurate and work related.
- The department head determines the proper expense account to debit.
- The department head signs and submits the Clothing Reimbursement Worksheet to the accounting office along with the Schedule of Departmental Bills Payable.
- Clothing Reimbursement Worksheets must be submitted by the department head to the accounting office by 12 noon on Wednesday in order for reimbursement to be made the following period.

General Considerations and Guidelines:

- Reimbursements will only be made if it is a contractual responsibility of the Town.
- Department heads are to authorize the expense and deem it work related.
- Original receipts must be submitted in order for reimbursement to be made. Any request for reimbursement without proper receipt will not be made.
- Checks must be picked up and signed for at the Treasurer's office by the department head or their designee.
- If checks are to be mailed or picked up directly by the employee, the Treasurer's office must be notified on Wednesdays, the day prior to disbursement.

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Bill Paying and Payroll	Issue Date: 12/13/16
General Payroll Process	Policy & Procedure No. 1.5

Objective:

To establish policies and procedures for the effective handling and efficient timely payments of obligations of the Town to the employees for personnel services incurred while efficiently fulfilling ones responsibilities on behalf of the Town.

Departments Affected:

All departments, boards and commissions incurring personnel services.

Policy:

When an appointed or elected employee on behalf of the Town has worked for the Town during the course of the week they shall be compensated by the Town. The employee shall submit a signed Employee Time Card or signed Time Sheet. The Time Card or Time Sheet shall be approved and signed by the department head of said employee and turned over to the Accountant's office along with an Earnings Worksheet. Any unsigned payroll sheets will not be processed. Payments may be made to the employee via a payroll paper check or electronic transfer.

Procedures:

- Employees submit signed Time Card or signed Time Sheet to the department head or their designee.
- The department head takes responsibility of deeming the time accurate and work related.
- The department head determines the proper expense account to debit.
- The department head signs and submits the Payroll Summary Earnings Worksheet to the Accountant's office.
- Payroll Summary Earnings Worksheets and all supporting documents are to be submitted to the Accountant's office by 10 AM on Mondays of the payroll week in order to process payment for the following period.
- Accountant shall input payroll, calculate total payroll cover sheet by department and submit to Treasurer by 10 AM on Tuesday.
- Payroll checks are available for pickup after 1:00 on Thursday.

General Considerations and Guidelines:

- Accumulate employee hourly work records according to individual department procedures.
- Complete the payroll worksheets. The department must enter the total amount of hours on the Payroll Summary Earnings Worksheet. This is required for internal control and reconciliation of payroll.

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- Use a separate Payroll Summary Earnings Worksheet for unusual or infrequent pay. This includes retroactive pay adjustments, annual or monthly payments, and one time payments.
- The department head must sign each individual Time Card or Time Sheet as well as the Earnings Worksheet. The Accountant must sign the Payroll Summary Earnings Worksheet and Payroll Warrant. A majority of the Selectboard must sign the payroll warrant prior to payments being disbursed.
- Direct deposit payroll transmissions are made to the bank on Friday of the pay week. If any employee needs to hold back direct deposit for any reason, they must submit the request to the Treasurer prior to the transmission to the bank.
- Direct deposit check stub can be picked up and signed for in the Treasurer's office by the department head or their designee on Friday mornings. The signor is responsible for the safe delivery of the paychecks to the individual employee. The department needs to have protocol for the safe distribution and security of employee's confidential payroll deduction information.
- Occasionally, holidays may require early submission of payroll. The Treasurer as necessary will make notification.
- No changes can be made to an employee's payroll deductions without prior authorization and notification to the Treasurer. Withholdings and personal data changes require employee written authorization. Forms are available in the Treasurer's office.
- The Treasurer/Collector is responsible for reporting to the IRS and the Commonwealth of Massachusetts. Quarterly reports must be filed with the IRS (941 and 945) and the Commonwealth of Massachusetts. Weekly employment taxes are paid to the IRS and the Commonwealth.

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Bill Paying and Payroll	Issue Date: 12/13/16
Encumbrances and Accounts Payable	Policy & Procedure No. 1.6

Objective:

To establish policies and procedures for the effective handling and efficient timely payments of obligations of the Town to the vendors for purchases made on behalf of the Town that are incurred and may not have been received or billed for prior to the close of the fiscal year.

Departments Affected:

All departments, boards and commissions incurring necessary expenses that may not have been received or billed prior to the end of the fiscal year.

Definitions:

Encumbrances – an encumbrance is a commitment to expend funds for performed contracts for goods and services. The commitment must be evidenced by a purchase order, procurement form, or written contract between the Town and the vendor. End of the year encumbrances usually occur because goods have not been delivered or the services of a contract have not been completed by June 30 of the fiscal year in which the PO or contract was signed. Encumbrances cannot be used for an undetermined liability that might occur in the future because of something that happened this fiscal year.

Accounts Payable – accounts payable differ from encumbrances in that the goods have been received or the services have been rendered prior to June 30 (but the invoice has not been received in time to process in the final warrant of the fiscal year). Typically, this is clearly reflected on the invoice since the invoices usually specify the dates of service or delivery.

Policy:

When a department on behalf of the Town has incurred expenses that are reimbursable by the Town in which the supplies have not been delivered but incurred or has been delivered and not invoiced prior to June 30 of the current fiscal year, the department shall submit a memo requesting an encumbrance or an accounts payable. The memo shall be approved and signed by the department head. Documents submitted to the accounting office without proper authorization and supporting documentation will not be processed. Upon receipt of the invoice it is required to specify on the Schedule of Departmental Bills Payable those items that had previously been encumbered or requested as an accounts payable.

Procedures:

- The detailed list of encumbrances and accounts payable must be submitted to the Accounting Office by June 30 of each year.

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- Invoices may be submitted for payment through July 12th of the following fiscal year to be processed by July 15th.
- A detailed list of remaining goods and services performed but not paid as of July 15, must be submitted to the Accounting Office.
- Review the invoice. To avoid double payments, we only pay from original invoices. If a payment stub is not supplied with the original invoice, an additional photocopy should accompany the original invoice. Investigate any previous balance because it is not considered the original invoice and cannot be paid. Check to be sure that no sales tax is being charged to the Town. Sales tax is a non-payable, as the Town is a tax exempt entity.
- All invoices must be signed by the department head to certify that , the goods have been received, services provided, delivery is satisfactory and the supporting documents are accurate, complete and in compliance with all related laws and regulations.
- Attach procurement data form as required by the Uniform Procurement Act if they have not already been forwarded to the Chief Procurement Officer.
- If the purchase is over \$ 5,000 there must be a written contract signed by the vendor and the Town personnel authorized by the Selectboard to oversee such purchases.
- Prepare a Schedule of Departmental Bills Payable listing all bills to be paid with the signature of approval by the department head or Board majority. The schedule must include account name and expense account number to be charged, vendor name and remittance address, amounts to be paid to that vendor and the total amount for the schedule. In addition, the schedule must indicate the items that had previously been encumbered or requested as an account payable.
- Several bills can be paid on one schedule but a separate schedule for each department.

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Bill Paying and Payroll	Issue Date: 12/13/16
Inter-Departmental Transfers	Policy & Procedure No. 1.7

Objective:

To establish policies and procedures for the effective handling and efficient timely processing of unforeseen expenditures for payments above appropriation.

Departments Affected:

All departments, boards and commissions holding responsibility for departmental appropriation.

Policy:

Under MGL 44 § 33B with approval of Town meeting vote or alternatively by the Selectboard with concurrence of the Finance Committee may transfer appropriations inter-departmentally.

Procedures:

- During any Town meeting a vote may be taken to transfer from any department or within a department an appropriation by submitting an article on the Town meeting warrant.
- A Schedule of Inter-Departmental Transfer must be completed by the department head. Schedule must include account to transfer from and account in which the transfer is to be made.
- Accountant must provide balances in accounts being transferred and accounts to be transferred to prior to submittal to the Selectboard and Finance Committee.
- Majority vote of the Selectboard and the Finance Committee must be received prior to transfer being fulfilled.
- Copies of vote shall be distributed to the Accounting Office, the department requesting the transfer and the Finance Committee shall retain a copy.
- Accounting Office after approvals have been established shall amend the budget appropriation to reflect the approval.

General Considerations and Guidelines:

- Transfers may be made by Town meeting vote at any time during the fiscal year.
- Majority vote to transfer by the Selectboard with concurrence of the Finance Committee can only be made by request of the department head and Town Administrator.
- Transfers by the Selectboard and Finance Committee can only be made two months prior to fiscal year end or 15 days after fiscal year end.
- Transfers can be made within a single department or between departments with the approval of the Town Administrator.
- Transfers cannot be made from school department or enterprise funds.
- Transfers are not to exceed 3% of annual departmental budget or 5,000 , whichever is greater

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Bill Paying and Payroll	Issue Date: 12/13/16
Prior Year Unpaid Bills	Policy & Procedure No. 1.8

Objective:

To establish policies and procedures for the effective handling and efficient timely payments of vendor obligations incurred and not paid in the prior fiscal year in order to efficiently fulfill department responsibilities on behalf of the Town.

Departments Affected:

All departments, boards and commissions incurring out of pocket reimbursable expenses.

Policy:

The policy of the Town is to assure integrity to the Annual Budget by charging all invoices to the proper fiscal year via an encumbrance or accounts payable of current year funds. In the event that an invoice is not submitted by the department head for payment in the appropriate fiscal year, it shall be submitted under MGL 44 § 64 with 4/5 approval of Annual Town meeting vote or 9/10 approval of Special Town meeting vote authorizing the Town to pay for expenses that are legally enforceable and not paid or appropriated from prior years for goods, materials or services ordered and received and not paid by available means specified by the vote.

Procedures:

- In the event any department submits a bill from the prior year on a Bill Schedule, it shall be removed from the Bill Schedule and the Accountant will discuss it with the department head.
- In the case of any expenditure in excess of appropriation, the Accountant shall forward the invoice and an explanation of the facts to the Town Administrator. The Accountant will make a recommendation to the Town Administrator relative to the payment of the unpaid bill and potential funding options.
- The Town Administrator will present recommendation to town meeting for payment of the unpaid bill of the prior fiscal year with an explanation of the facts and circumstances as to why the bill was not paid within the proper fiscal year. The appropriation may be funded at Town Meeting from any available funds.

General Considerations and Guidelines:

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Fixed Assets Capitalization and Disposition	Issue Date: 12/13/16
Capitalization	Policy & Procedure No. 2.1

Objective:

To establish policies and procedures for the effective and efficient handling of fixed asset capitalization.

Departments Affected:

All departments, boards and commissions responsible for the protection of the Town’s resources.

Policy:

The determination of whether or not Town property purchases are to be capitalized as fixed assets shall be the responsibility of Town Administrator. Such determination at the time that a purchase order or contract is approved.

Generally, assets are capitalized when the useful life is greater than one year and the acquisition cost meets the capitalization threshold. Purchased or constructed assets and infrastructure are reported at acquisition cost, construction costs or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

Assets will be depreciated on a straight line basis over the estimated useful lives.

<u>Assets</u>	<u>Capitalization and Depreciate</u>	<u>Useful Life (years)</u>
Land	Capitalize Only	
Land Improvements	\$25,000	10-25
Buildings	50,000	50
Building Improvements	50,000	10-20
Heavy Equipment	5,000	10
Computer Equipment	5,000	5
Furniture	5,000	5
Vehicles and Equipment	5,000	5
Infrastructure	25,000	
Roads		20
Concrete Bridges		50
Timber Bridges		30
Water/Sewer Lines		
Construction in Progress	Capitalize Only	

Procedures:

- Obtain contract or estimate from vendor and have the purchase pre-approved Chief Procurement Officer.
- Apply the contract or estimate to the Purchase Order System through MUNIS.
- Note on Purchase Order as to whether or not the purchase will be part of the Fixed Asset listing.

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Fixed Assets Capitalization and Disposition	Issue Date: 12/13/16
Additions	Policy & Procedure No. 2.2

Objective:

To establish policies and procedures for the effective and efficient handling of fixed asset additions.

Departments Affected:

All departments, boards and commissions responsible for the protection of the Town's resources.

Policy:

Each department will notify the Town Administrator and Selectmen of any addition of property to ensure the appropriate changes are made to the master list. All inventoriable assets will be assigned an inventory control number to be affixed to the property.

Procedures:

- After property has been received the purchasing department will send a copy of the invoice and a complete Asset Control Sheet to the Town Administrator at the same time the invoice is submitted for payment.
- The department will then be issued an inventory control number to affix to the property.
- The Accountant will input the information from the Master Asset Control Sheet and update the fixed assets system.

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Fixed Assets Capitalization and Disposition	Issue Date: 12/13/16
Disposals	Policy & Procedure No. 2.3

Objective:

To establish policies and procedures for the effective and efficient handling of fixed asset disposals.

Departments Affected:

All departments, boards and commissions responsible for the protection of the Town's resources.

Policy:

Each department will notify the Town Administrator and Selectmen of any deletions of property to ensure the appropriate changes are made to the master list. Deletion of assets from the system will require authorization from both the department head and the Town Administrator.

Procedures:

- After property has been approved for disposal by the department head and the Town Administrator, a signed copy an Asset Control Sheet shall be sent to the Accountant.
- The inventory control number that was previously issued to the property must be removed.
- The Accountant will delete the information from the Master Asset Control Sheet and update the fixed assets system.
- Deletion due to disappearance of items may require additional reports to the police department and insurance company. Deletion brought about as a result of natural disasters would require reporting to the insurance provider for a reimbursement claim.

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Fixed Assets Capitalization and Disposition	Issue Date: 12/13/16
Financing	Policy & Procedure No. 2.4

Objective:

To establish policies and procedures for the effective and efficient financing of fixed asset.

Departments Affected:

All departments, boards and commissions responsible for the protection of the Town's resources.

Policy:

Procedures:

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Fixed Assets Capitalization and Disposition	Issue Date: 12/13/16
Security	Policy & Procedure No. 2.5

Objective:

To establish policies and procedures for the effective and efficient handling of fixed asset security.

Departments Affected:

All departments, boards and commissions responsible for the protection of the Town's resources.

Policy:

Department heads shall be directly responsible for the physical safekeeping of any fixed assets controlled by or used by their department.

The town administrator shall ensure that all moveable fixed assets are insured against fire and theft and that all municipal buildings are insured against fire and allied perils.

Procedures:

- Assets should be kept in a secure location, maintained regularly, insured against theft or destruction, and utilized economically and efficiently.

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Fixed Assets Capitalization and Disposition	Issue Date: 12/13/16
Responsibility	Policy & Procedure No. 2.6

Objective:

To establish policies and procedures to institute responsibility over fixed asset.

Departments Affected:

All departments, boards and commissions responsible for the protection of the Town's resources.

Policy:

The department head is responsible for providing information to the Finance Department. Any changes should be reported as soon as possible. All transactions and communications regarding fixed assets will be directed to the department head.

The department head is also responsible for identifying and reporting non-purchase fixed assets acquisitions to the Finance Department. Such acquisitions could come from but are not limited to gifts, transfer, legal confiscation, and loans.

The department head is also responsible to report all changes in fixed assets. Such changes include but are not limited to change in condition, enhancements and transfers.

Procedures:

- All amendments, deletions or additions to the fixed assets register shall be made by the Finance Department.
- A completed Asset Control Sheet should be submitted to the Accounting Office upon amendments, deletions or additions.
- The Accountant will input the information from the Master Asset Control Sheet and update the fixed assets system.

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Fraud and Internal Controls	Issue Date: 12/13/16
Fraud Risk Assessment	Policy & Procedure No. 3.1

Objective:

- To establish policies and procedures for the purpose of ensuring that all parties are aware of their responsibilities for identifying exposures to fraudulent activities and for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activities when it occurs.
- To provide guidance to staff as to the action, which should be taken where they suspect any fraudulent activity.
- To provide a clear statement to staff forbidding any illegal activity, including fraud for the benefit of the Town.
- To provide assurance that any and all suspected fraudulent activity will be fully investigated.

Departments Affected:

All departments, boards and commissions responsible for the protection of the Town's resources.

Policy:

- The Town of Blackstone Managers have the ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.
- All managers must ensure that there are mechanisms in place within their area of control to:
 1. assess the risk of fraud
 2. educate employees about fraud prevention and detection
 3. facilitate the reporting of suspected fraudulent activities
- All employees share in the responsibility for the prevention and detection of fraud in all areas of their responsibility. All employees have the responsibility to report suspected fraud. Any employee who suspects fraudulent activity must immediately notify their supervisor or those responsible for the investigations. In cases where the supervisor is suspected of involvement in the fraudulent activity, the matter should be addressed with the next highest level of supervision.
- Any fraud by any employee shall constitute grounds for dismissal.

Procedures:

- Fraud prevention accounting procedures shall be incorporated in the Town's policies related to Cash Management and Investment.
- All complaints of suspected fraudulent behavior will be investigated, while also providing for the protection of those individuals making the complaint and natural justice to those individuals being the subject of any such complaint.
- Where a prima facie case of fraud has been established the matter shall be referred to the police. Any action taken by the police shall be pursued independently of any employment related investigation by the Town.

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- Recruitment strategies shall incorporate fraud prevention:
 1. Applicants shall be required to undergo CORI checks where required by the duties of the position.
 2. Previous employers shall be contacted.
 3. Transcripts, qualifications and other certification or documentation shall be validated.
- Fraud prevention and detection issues will be included in relevant staff development and induction activities.
- Vendors and contractors shall be asked to agree in writing to abide by these policies and procedures.

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Fraud and Internal Controls	Issue Date: 12/13/16
Internal Controls	Policy & Procedure No. 3.2

Objective:

- To establish policies and procedures for the purpose of safeguarding the Town’s monetary and physical assets.
- To provide guidance to staff as to optimal use of those resources placed under the Town’s control and the effective management of the resources.
- To provide assurance that the costs of internal controls should never exceed the financial and non-financial benefits.
- To establish whenever feasible or possible a rotation of duties.
- To create a culture that stresses the importance of internal controls and leads by example.

Departments Affected:

All departments, boards and commissions responsible for the protection of the Town’s resources.

Policy:

- The Town of Blackstone employees have the ultimate responsibility for the safeguarding of the Town’s assets.
 1. Selectmen and Town Administrator
 - Sets the standard for the control environment.
 - Maintains accountability for internal controls and risk management.
 - Support the Town’s control and risk management activities.
 2. Department Heads
 - Are directly responsible and accountable for operations.
 - Are responsible for the effectiveness of internal controls and how they relate to the Town’s objective.
 - Shall periodically assess risk and the control Environment.
 3. Finance
 - Monitors the financial implications of operating management responsibilities.
 - Provide financial management and guidance to design.
 - Establishes, executes and monitors for the adequacy of internal controls and their effectiveness.
 - Monitors exposures and makes recommendations.
 - Challenges and validates management control Environment assertions.
 4. Employees
 - Ability to communicate information without fear of negative repercussions.
 - Have regular and direct communication with management.

Town of Blackstone Financial Policies & Procedures

- The Town must ensure that there is a rational well-defined organizational structure with employee's assigned specific powers and duties for which they are accountable. The assignment of authority and responsibility must clearly be communicated and documented to avoid situations where "everyone is responsible" but "no one is responsible".
- The Town shall have sound personnel policies and practices with well-defined job descriptions and appropriate job qualifications.
- The Town needs to ensure that employee skills remain up-to-date by providing training and evaluation.
- Management must monitor operations and investigate discrepancies between actual performance and anticipated results.
- Management must ensure the management styles are appropriate "accepted" behavior for employees. Management tone offsets if there are significant penalties or unequal treatment of employees for improper behavior or lack of performance.
- Policies should be in writing stating which individuals have the authority to authorize each different type of transaction. The policy should include documentation on how transactions and events are processed.

Risks Assessment:

- Identify critical processes and establish objectives for those processes.
- Identify risks to achieve objectives and evaluate the likelihood and magnitude of the risks. Consider quantitative and qualitative factors.
- Prioritize the risk and design control activities to mitigate them.
- Properly authorize all transactions.
- Ensure custody of assets.
- Properly design and maintain accounting records and documentation. The person performing a transaction should not be the same person entering the transaction in the Town's ledger. Periodic backups should be maintained and the Town's disaster recovery plan should be updated annually at a minimum.
- Accounting data are periodically compared with underlying items they represent. At a minimum there should be a periodic reconciliation of ledger accounts to include verification and analytical review.

Procedures:

- **Internal Controls for Revenue and Collections**
 - Billing systems should be designed and maintained such that the wrong persons or account is not billed, that incorrect amounts are not billed and that the billing is recorded correctly ensuring reliable data for financial reporting
 - Safeguards shall be designed, implemented and maintained such that cash cannot be recorded yet deposited, cash cannot be deposited yet not recorded and that cash amount is not recorded incorrectly whether it is to the wrong account, the wrong amount or the wrong period.
 - Cash is secured at all times
 - Cash deposits are not counted at the counter if front of customers.
 - No more than \$200 will be in the cash drawer at any given time.
 - Cash is counted daily and deposited to the Treasurer
 - Deposits shall be compared to receipts and bank statements reconciled to the general ledger.
 - Performance indicators will be researched and reconciled.
 - The Accounting Officer will review all aging accounts receivable report dollar amounts and age of accounts).

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- The Accounting Officer will identify any trends and will suggest an action plan to the Town Administrator.
- **Internal Controls for Purchasing and Accounts Payable**
 - Purchasing and accounts payable systems should be designed and maintained such that the wrong persons or account is not billed, the incorrect amounts are not billed and that the billing is recorded correctly ensuring reliable data for financial reporting.
 - Safeguards shall be designed, implemented and maintained such that all purchases are properly recorded and paid in a timely manner after verification that the goods and services have been supplied and that all transactions are accurate and complete.
 - Prior to purchase there is proper authorization.
 - Prior to purchase bid requirements have been satisfied.
 - Prior to purchase that there is sufficient budget available
 - Accounting Officer shall ensure that the proper recording and release of encumbrances occurs.
 - Requisitioning of supplies and services shall be initiated in such a manner as to take advantage of discounts due to volume, timing and discounts.
 - All expenditures shall be reflected in accounting records in proper line items.
 - The payment amount will match the invoice amount.
 - All expenditures will be allocated to the correct period.
 - All expenditures will be charged to the correct fund or account.
 - All invoices will contain sufficient information to identify the payee's existence and verification of the occurrence of the expense.
 - The Accounting Clerk shall confirm invoice numbers to avoid duplicate payments.
 - Checks shall be matched to invoice before being issued checking for correct vendors and dollar amount.
 - Department managers and the Accounting Office shall monitor all grant funds to ensure that all purchases and payments are in grant compliance to avoid ineligible expenditures.
 - The Accounting Office will monitor all purchases and expenditures and watch for exceptions.
 - All new vendor request shall be properly authorized by the Department Head and contain physical address, mailing address, telephone number, contact and federal tax identification number. No vendors will be entered in the system without proper tax information.
- **Internal Controls of General Ledger**
 - General ledger system should be designed and maintained such that the activity is accurate and complete ensuring reliable data for financial reporting.
 - The general ledger accounts shall be reconciled monthly and match subsidiary systems.
 - The Accounting Office will complete a budget to actual monthly report for all departments
 - Bank reconciliation will be reviewed to see if there are any unexplained differences between the cash reported by the bank and accounting records.
 - An annual physical inventory of equipment will be completed and compared to the accounting records. Any unaccounted differences will be reported to the Town Administrator.
- **Internal Controls for Payroll**
 - Payroll systems should be designed and maintained such that the wrong person is not paid nor paid the wrong amount that terminated employees are not paid and that changes to the system are properly authorized. Payroll activity should be recorded correctly ensuring reliable data for financial reporting.
 - Safeguards shall be designed, implemented and maintained such that the payroll expenditures are properly recorded and paid in a timely manner and additional safeguards are in place to ensure that all transactions are accurate and complete.
 - Accounting Office shall ensure that all pay calculations are correct and error free and paid to actual employees.

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- Accounting Office shall watch that the employees are not overpaid, that the pay is not inflated. Nor that the employees are paid for work not done as well as underpayment does not occur. All salary increase must be properly authorized.
- All payroll expenditures shall be allocated to the correct fund and line item.
- All payroll expenditures shall be charged to the correct period.
- All payroll documentation including Time Cards, Time Sheets and overtime are properly approved by the Department Head prior to payroll preparation.
- All payroll and personnel records should be properly designed so that changes in salaries and wages are properly documented in personnel files.
- All payroll and personnel records will be secured.
- There will be a segregation of compatible duties ensuring that the allocation of wages and salaries is accurate.
- Periodic reconciliation of payroll records will include a reconciliation of the current payroll to the previous payroll, hours keyed and paid will be compared to the time sheets, and monthly withholding records compared to the general ledger.
- Periodic verification of payroll will include payroll calculations checked by a second employee and eligibility for fringe benefits verified.
- **Internal Controls for Personnel**
 - All applicants will complete the Town of Blackstone employment application, which will be checked for completeness and reasonableness.
 - All positions will have a job description
 - A background check will be completed on all potential employees along with a driver's license check as necessitated by the position.
 - An insurance bond will be required for all employees deemed necessary by MGL cash handling limitations.
 - The Town will only hire qualified applicants who have demonstrated evidence of integrity and ethical behavior.
 - Job description should be designed such that areas of responsibilities and authority are clearly defines and understood.
 - The Town shall provide employees with ongoing and relevant training.
 - The Town will take appropriate action for deviating from policies.
 - The Town has zero tolerance for unethical and dishonest behavior.
 - There will be equal treatment for all employees regardless of position or title.

**Town of Blackstone
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Cash and Cash Investments	Issue Date: 12/13/16
Cash Management	Policy & Procedure No. 4.1

**Town of Blackstone
Financial Policies & Procedures**

Cash and Cash Investments	Issue Date: 12/13/16
Cash Receipts	Policy & Procedure No. 4.2

Objective:

To establish policies and procedures for the effective and efficient handling and timely of turnover of Town monies collected by departments, boards and commissions.

Departments Affected:

All departments, boards and commissions involved in the collection of Town funds.

Policy:

It is the Town's policy that the Treasurer/Collector's office is solely responsible for the entry of cash receipts to the MUNIS system. The Treasurer/Collector's office is responsible for all bank deposits. In all instances the town departments must turnover receipts to the treasurer's office not less than once a week. At a minimum, revenue shall be turned over immediately to the Treasurer's office when the department has collected \$250 in cash or \$500 in checks.

It is each department's responsibility to establish procedures to safeguard the collection and remittance of receipts until turned over to the Treasurer.

The Treasurer must give bond annually consistent with the provisions of MGL Ch 41 § 35. The Finance Director shall verify that the Treasurer has given bond as required.

The Finance Director shall periodically, but not less than once per year, perform site visits to the departments to audit the receipt process.

Procedures:

- All licenses and permit forms must be ordered and pre-numbered.
- License and permit stock must be controlled by a responsible departmental employee and stored in a secure location.
- Duplicate, pre-numbered receipt forms should be issued for all departmental receipts.
- All checks received should be immediately stamped "for deposit only"
- All receipts should be recorded in a receipt book or on a spreadsheet. The book or spreadsheet should include the following:
 - Date
 - Payer
 - Receipt number
 - License/permit number
 - Amount
 - Notation (cash or check)
- The receipt log should be subtotaled and dated whenever a turnover of receipts to the Treasurer is made. The subtotal should be for the exact amount of the turnover.
- All departmental receipts that are not remitted to the Treasurer immediately must be kept in a secure location, with no access to other departmental employees or the public.

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- Receipts held overnight must be kept in a locked safe or cabinet, with no access to other departmental employees.
- Departments are not permitted to issue licenses or permits at no fee, or waive any established customer charges.
- Departmental receipts should never be commingled with any departmental employee's own personal money. Employees should not make change for customers with their own money.
- Departmental receipts should never be used to cash checks for Town employees or the public.
- No disbursements may ever be made from any departmental receipts. All receipts must be remitted to the Town Treasurer intact. All disbursements must be paid through the Town warrant.
- Cash and checks on hand should be counted and proven to the receipt log. A departmental employee that was not involved in the receipt process, if any, should perform this.
- Turnovers to the Treasurer should be made whenever total receipts reach \$ 250 or weekly whichever occurs first. In no circumstances should receipt turnovers be less frequent than weekly, and must be made within five workdays from month end.
- Turnovers to the Treasurer should be summarized on preprinted departmental receipt turnover forms. Each department's form should be unique, including the following preprinted information:
 - name of department
 - turnover number
 - space for date of turnover
 - space to enter range of departmental receipt form numbers
 - names of all applicable revenue/receipt accounts to be posted to general ledger
 - general ledger account numbers of revenue/receipt accounts to be posted
 - space to enter amounts of receipts for each applicable account
 - a line to track cash short and over
 - total of turnover, including a breakdown of cash and checks
 - space for signature of responsible departmental personnel and department head
- The turnover form should be made in triplicate, with one copy remitted to the Treasurer with the money, one directly remitted from the department to the Town Accountant, and one retained by the department.
- The Treasurer should issue a receipt (from a bound receipt book) to the department documenting that the amount of cash/checks turned over agrees with the turnover form total. This receipt form should be attached to the departmental copy of the receipt form, and retained in a chronological file for the fiscal year.
- Departments should retain documentation, including receipt logs, customer receipt books, duplicate copies of licenses and permits, and turnover forms for a minimum of five years.
- No departments, other than the Town Treasurer/Collector are authorized to maintain their own bank accounts.

**Town of Blackstone
Financial Policies & Procedures**

Cash and Cash Investments	Issue Date: 12/13/16
Cash Disbursements	Policy & Procedure No. 4.3

Objective:

To establish policies and procedures for the effective and efficient handling of cash disbursements.

Departments Affected:

All departments, boards and commissions responsible for the handling of disbursements.

Policy:

The Town policy is that accounts payable and payroll payments shall be made bi-weekly and only from warrants duly signed and approved by the Board of Selectmen and the Town Accountant. The Treasurer or their designee shall be responsible for the disbursement and mailing of all accounts payable checks and to assure that all town checks are delivered only to the designated vendor.

Procedures:

- After the Board of Selectmen and the Town Accountant have signed the warrant(s), the signed warrant will be delivered to the Treasurer/Collector (or designee).
- The Treasurer/Collector shall verify consistent with MGL Chapter 41 § 41 that all payroll disbursements have been sworn (signed) by the department head or lawful designee.
- The Treasurer/Collector runs the checks in MUNIS and prints them. Whenever possible direct deposits for payroll and wire transfers for vendors is desirable.
- The Accountant's office provides all of the invoices that are included on the warrant to the Treasurer. The Treasurer/Collector's office then matches each invoice with the respective check and verifies the vendor, address, vendor number and the amount paid.
- When the Treasurer/Collector's office has printed the checks, two copies of the MUNIS Cash Disbursements (Check Register) are produced. The Treasurer/Collector retains one copy and delivers one copy to the Accountant.
- At the point the Treasurer/Collector designee has audited all invoices and checks, the check can be mailed to the vendors at the invoice addresses to assure sound control of disbursements.
- Release of checks (other than via mail) will be done only in extenuating circumstances. The Treasurer/Collector will hold the check for pickup by the vendor. Only the Treasurer can approve the release of a check to an individual instead of mailing the check to the authorized address of the vendor.

Emergency Disbursements

Policy:

The Town policy is that only in extenuating circumstances will the Treasurer/Collector allow the issuance of a manual check outside of the normal warrant process.

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Procedure:

- In a bona fide emergency where payments must be made to a vendor outside of the normal accounts payable process, the Accountant and the Town Administrator must sign a form authorizing payment to the same standards as for a normal warrant. All documentation to substantiate the reason and receipt of services shall be submitted within five days.
- The Treasurer/Collector shall produce the manually produced check upon receipt of the signed authorization of the Accountant and Town Administrator.
- The Treasurer/Collector must provide the Accountant with a copy of the manual produced check.
- The Accountant must include this payment on the next weeks' MUNIS produced warrant as a "no check" item to assure that the payment is posted to the General Ledger and charged to the respective department's appropriation.

**Town of Blackstone
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Cash and Cash Investments	Issue Date: 12/13/16
Investments: General Fund & Trust Funds	Policy & Procedure No. 4.4

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

A. Scope

This section of the policy applies only to short term operating funds such as general funds, special revenue funds, enterprise funds, bond proceeds and capital project funds. Section two will deal with trust funds, and any other funds with special circumstances such as stabilization funds. A separate Contributory Retirement Board, either local or county, is responsible for the investment of the pension funds.

B. Objectives

Massachusetts General Laws, Chapter 44, section 55B requires the municipal/district treasurer to invest all public funds except those required to be kept uninvested for purposes 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 are to be placed at the highest possible rate of interest reasonably available, taking account of 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 the entity's business.

- **Safety** of principal is the foremost objective of the investment program. Investments shall 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 mitigated by the diversification and prudent selection of investment instruments, and choice of depository. 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 earnings, and loss of principal in some cases.
- **Yield** is the third, and last, objective. Investments shall be undertaken so as to achieve a fair market average rate of return, taking into account safety and liquidity constraints as well as all legal requirements.

C. Investment Instruments

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Note: 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:

- Massachusetts State pooled fund: **Unlimited amounts** (Pool is liquid)
 - The Massachusetts Municipal Depository Trust (MMDT), an investment pool for state, local, county and other independent governmental authorities, is under the auspices of the State Treasurer and currently managed by Fidelity 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.
- U. S. Treasuries that will be held to maturity: **Unlimited amounts (Up to one year maturity from date of purchase)**
- U.S. Agency obligations that will be held to maturity. **Unlimited amounts (Up to one year maturity from date of purchase)**
- Bank accounts or Certificates of Deposit, hitherto termed C.D.'s. **(Up to one year)** which are fully collateralized through a third party agreement: **Unlimited Amounts?**
- Bank accounts and C.D.'s **(Up to one year)** insured by F.D.I.C. up to **\$100,000 limit** all bank accounts and C.D.'s in one institution are considered in the aggregate to receive the \$100,000 insurance coverage. In some cases Banking Institutions carry additional insurance, Depository Insurance Fund of Massachusetts (D.I.F.M): Contact banking representative for amounts of coverage.
- **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 a municipality's cash**. Their credit worthiness will be tracked by Veribanc, Sheshunoff, or other bank credit worthiness 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.

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. Treasury obligations or investments fully collateralized by U.S. Treasuries or agencies, and State pools (MMDT), no more than 10% of the Town's investments shall be invested in a single financial institution.

E. Authorization

The Treasurer has authority to invest municipality/district funds, subject to the statutes of the Commonwealth cited above.

F. Ethics

Town of Blackstone Financial Policies & Procedures

The Municipal/District Treasurer (and any Assistant Treasurers) shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair or appear to 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 investment 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. Municipalities/Districts 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.

When using the Veribanc rating service the Treasurer may invest in such banks that show a green rating in a particular quarter. If a rating is yellow the Treasurer should contact the appropriate banking institution and request in writing an explanation of the change in rating and the expected time table for it to be changed to green.

If for a second quarter such rating has not been corrected, the Treasurer should consider removing all funds that are not collateralized, or carries some form of depositors insurance.

If a rating moves to red all money should be immediately collateralized or covered by some form of depositors insurance or be removed from the banking institution.

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:

- Audited financial statements
- Proof of National Association of Security Dealers certification
- A statement that the dealer has read the municipality's investment policy and will comply with it
- Proof of credit worthiness (minimum standards: at least five years in operation and a minimum capital of 10 million dollars)

H. Reporting Requirements

On a regular basis (quarterly, semi-annually, or annually), a report containing the following information will be prepared by the Treasurer and distributed to the Chief Executive Officer, Town Manager, and/or Finance Committee, as appropriate. The quarterly report will include the following information, as a minimum requirement:

- A listing of the individual accounts and individual securities held at the end of the reporting period.
- 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.
- A summary of the income earned on a monthly basis and year to date basis shall be reported.
- The municipal 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.
- The report should demonstrate the degree of compliance with the tenets set forth in the Investment Policy.

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I. Restrictions

Chapter 44, Section 55 set forth the several restrictions that the Treasurer must be aware of when making investment selections.

- A Treasurer shall not at any one time have on deposit in a bank or trust company an amount exceeding 60% of the capital and surplus of such bank or trust company, or banking company, unless satisfactory security is given to it by such bank or trust company, or banking company for such excess.
- The treasurer shall not make a deposit in any bank, trust company or banking company that he is associated as an officer or employee or has been the same for any time during the three years immediately preceding the date of any such deposit.
- All securities shall have a maturity from date of purchase of one year or less.
- Purchases under an agreement with a trust company, national bank or banking company to repurchase at not less than original purchase price of said securities on a fixed date shall not exceed ninety days.

J. Legal References

Massachusetts General Law Chapter 44, Section 54
Massachusetts General Law Chapter 44, Section 55B
Massachusetts General Law Chapter 740 of the Acts of 1985

II. The Investment of Trust Funds, Stabilization Funds and Community Preservation Act.

This section of the policy applies only to funds that could be invested long term, i.e. trust funds, stabilization funds, community preservation funds.

A. Scope

This policy applies to all accounts that are designated as Trust Funds, Stabilization Funds, Community Preservation Funds. These funds include all accounts that are received as scholarships and perpetual care receipts. In addition the Town has placed both the Capital Stabilization and regular Stabilization money in this account along with their workers compensation and unemployment compensation accounts.

All accounts will be maintained separately receiving their proportionate interest and any realized and unrealized gains or losses. The account will be established as a pooled investment portfolio unless otherwise stated. Any additional accounts will be maintained in this same manner.

B. Authority

Massachusetts General Law Chapter 44, section 54 pertains to the investment of Trust Funds. All trust funds shall fall under the control of the Town Treasurer unless otherwise provided or directed by the donor.

C. Objective

Massachusetts General Laws, Chapter 44, section 55B requires the Town Treasurer to invest all public funds except those required to be kept uninvested for purposes of immediate distribution.

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The M.G.L. Chapter 740 of the Acts of 1985 requires that invested funds are to be placed at the highest possible rate of interest reasonably available, taking account of 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 the entity's business.

- **Safety** of principal is the foremost objective of the investment program. Investments shall 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 mitigated by the diversification and prudent selection of investment instruments, and choice of depository. 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 earnings, and loss of principal in some cases.
- **Yield** is the third, and last, objective. Investments shall be undertaken so as to achieve a fair market average rate of return, taking into account safety and liquidity constraints as well as all legal requirements.

D. Investment Instruments

M.G.L. Chapter 44 section 54 states that money should be deposited into savings bank, trust companies incorporated under the laws of the commonwealth, banking companies incorporated under the laws of the commonwealth which are members of the Federal Deposit Insurance Corporation, or national banks, or invested in participation units in a combined investment fund under section thirty-eight A of chapter twenty-nine, or in a paid-up shares and accounts of and in co-operative banks, or in shares of savings and loan associations or in share or savings deposits of federal savings and loan associations doing business in the commonwealth.

Additionally the Town of Blackstone may invest such funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the commonwealth; provided, that not more than fifteen percent of any such trust funds shall be invested in bank stocks and insurance company stocks, nor shall more than one and one-half percent of such funds be invested in the stock of any one bank or insurance company. See attached the Commonwealth of Massachusetts **List of Legal Investments**.

The Treasurer may invest in the following instruments:

- U. S. Treasuries that maybe sold prior to maturity: **Unlimited amounts (With no limit to the length of maturity from date of purchase)**
- U.S. Agency obligations that maybe sold prior to maturity. **Unlimited amounts (With no limit to the length of maturity from date of purchase)**
- Bank accounts or Certificates of Deposit, hitherto termed C.D.'s. **Unlimited amounts (With no limit to the length of maturity from date of purchase)**, which is fully collateralized through a third party agreement:
- Bank accounts and C.D.'s **(With no limit to the length of maturity from date of purchase)**, fully insured by F.D.I.C. and in some cases also Depository Insurance Fund of Massachusetts (D.I.F.M): **\$100,000 limit** All bank accounts and C.D.'s in one institution are considered in the aggregate to receive the \$100,000 insurance coverage.

Town of Blackstone Financial Policies & Procedures

- **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 a municipality's cash**. Their credit worthiness will be tracked by Veribanc, Sheshunoff, or other bank credit worthiness 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.
- Common and preferred stock that are listed in the **List of Legal Investments**.
- Investment Funds that are listed in the **List of Legal Investments**.
- All other items not separately identified here that are listed in the **List of Legal Investments**.

E. Standards of Care

The standard of prudence to be used by the Treasurer shall be the “Prudent Person” standard and shall be applied in the context of managing an overall portfolio. The Treasurer acting in accordance with written procedures, and this investment policy, and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided the purchases and sale of securities is carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived.

In addition this section would also apply to M.G.L. Chapter 44 Section 55A which refers to the liability of the Treasurer for losses due to bankruptcy.

F. 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. Treasury obligations or investments fully collateralized by U.S. Treasuries or agencies.

G. Ethics

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

H. Relationship with Financial Institutions

Financial institutions should be selected first and foremost with regard to safety. The Town of Blackstone subscribes Veribanc a recognized bank rating service. Brokers should be recognized, reputable dealers.

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

- Audited financial statements

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- Proof of National Association of Security Dealers certification
- A statement that the dealer has read the municipality's investment policy and will comply with it

I. Reporting Requirements

On a regular basis (quarterly, semi-annually, or annually), a report containing the following information will be prepared by the Treasurer and distributed to the Town Manager, and/or Finance Committee, as appropriate. The quarterly report will include the following information, as a minimum requirement:

- A listing of the individual accounts and individual securities held at the end of the reporting period.
- 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.
- A summary of the income earned on a monthly basis and year to date basis shall be reported.
- 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.
- The report should demonstrate the degree of compliance with the tenets set forth in the Investment Policy.

J. Legal References

Massachusetts General Law Chapter 44, Section 54
Massachusetts General Law Chapter 44, Section 55B
Massachusetts General Law Chapter 740 of the Acts of 1985

Trust Funds may be co-mingled and invested in any instruments allowed by the Commonwealth of Massachusetts list of Legal Investments Legal issued by the Banking Commissioner each July. Each trust fund must be accounted for separately. Chapter 44 Section 54 sets forth that Treasurers may invest in instruments that are legal for savings banks. This list of investments is included in the Commonwealth of Massachusetts List of Legal Investments.

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Cash and Cash Investments	Issue Date: 12/13/16
Cash Reconciliation	Policy & Procedure No. 4.5

Objective:

To establish policies and procedures for the effective and efficient handling of cash reconciliation.

Departments Affected:

All departments, boards and commissions responsible for the handling of cash reconciliation.

Policy:

It is the policy of the Town that the Treasurer/Collector and the Accountant shall reconcile the Bank Statements as recorded in the Treasurer's Cashbook and recorded on the General Ledger within 15 days of the close of the prior month. The Treasure/Collector maintains a Reconciliation of Cashbook documenting the reconciliation for each period. Each official is responsible to sign the Summary Cash Reconciliation spreadsheet and then submit a letter and the Summary Cash Reconciliation spreadsheet to the Town Administrator as evidence that cash is reconciled.

Procedure:

- The Treasurer/Collector or designee reconciles the Treasurer's Cashbook to the bank statements. This is completed within five days of receipt of the bank statement.
- The Treasurer/Collector identifies all reconciling items between the cashbook and the bank statements. These items will include: deposits in transit, outstanding checks and other items that represent timing differences between the bank and the cashbook.
- The Treasurer/Collector will correct the cashbook for the reconciling items that are not the result of timing differences (that would clear the next month).
- The Treasurer/Collector will forward to the Accountant all the adjustments made to the cashbook based on the reconciliations to the bank statements.
- The Accountant will record an adjusting entry to cash on the General Ledger if appropriate and based on supporting documentation.
- The Treasurer/Collector will follow up on any check that remains outstanding for 60 days as described above under the Tailings Policy and Procedures.
- The Treasurer/Collector will maintain a cashbook on a daily basis for warrants issued, deposits, transfers between accounts and investment income.
- After the month's activity in the cashbook is reconciled to the bank statements, the Treasurer/Collector or designee produces the month-end MUNIS Account Trial Balance for Treasurer's Cash and the MUNIS Account Detail History fro Treasurer's Cash.
- The Treasurer/Collector produces a spreadsheet based on:
 1. Receipts reconciliation documenting:
 - The receipts per the cashbook and
 - Receipts per MUNIS General Ledger
 2. Disbursements reconciliation documenting:
 - The disbursements per the cashbook and

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- The disbursements per MUNIS General Ledger

These reconciliations are evidence that the cashbook ending balance agrees to the cash on the General Ledger. If there are variances the Treasurer/Collector and Accountant research and document any adjustments.

- A final Cash Reconciliation Summary Statement is produced and signed by both the Treasurer/Collector and the Accountant that states the cash balances per the general ledger and per the cashbook, and documents any adjustments to either the cashbook or the General Ledger.
- The Cash Reconciliation Statement and cover letter is submitted to the Town Administrator by the 15th of every month as documentation that the cash is reconciled.

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Cash and Cash Investments	Issue Date: 12/13/16
Petty Cash	Policy & Procedure No. 4.6

Objective:

To establish policies and procedures for the effective and efficient handling of petty cash.

Departments Affected:

All departments, boards and commissions responsible for the handling of petty cash.

Policy:

The policy of the Town is that Petty Cash accounts may be established for departments that need a small amount of cash to meet payments required at the time of service. Petty cash can only be replenished by submittal of all documentation and receipts through the warrant process for review of the Accountant. Petty cash transactions will never be used to finance payroll.

Procedure:

- Request for petty cash accounts or changes to the limit authorization should be submitted in writing to the Accountant.
- All requests for establishment of petty cash accounts and changes to limits should be subject to approval of the Accountant.
- If approved by the Accountant, the specific petty cash account should be under the custody of one authorized official of the respective department.
- The Accountant will create the petty cash account by reducing unrestricted cash and increasing petty cash. The Accountant will reclassify fund balance simultaneously by reducing Undesignated Fund Balance and increasing Fund Balance Reserved for Petty Cash.
- All petty cash transactions shall be documented with a receipt from the vendor/service provider to the authorized departmental petty cash cashier.
- Periodically the petty cash custodian in the department should submit all documentation and receipts on a Schedule of Departmental Bills Payable to the Accountant as part of the accounts payable warrant process in order to replenish the petty cash account.
- The petty cash account will only be replenished by the Accountant based on review of the documentation submitted through the warrant process. If there have been any in appropriate uses the petty cash account will be terminated.
- Monthly reconciliation of petty cash accounts shall be completed between Treasurer and Accountant.

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Cash and Cash Investments	Issue Date: 12/13/16
Tailings	Policy & Procedure No. 4.7

Objective:

To establish policies and procedures for the effective and efficient handling of tailings (uncashed checks).

Departments Affected:

All departments, boards and commissions responsible for the handling of tailings.

Policy:

The Town’s policy is to identify and research all uncashed checks (Tailings) as part of the timely reconciliation of all bank accounts. All checks that are not cashed within 60 days of the date of issuance will be investigated. Checks that are not cashed after 120 days will be reported to the Accountant as uncashed so the General Ledger can be adjusted to increase cash and to record a corresponding liability.

A listing of all uncashed checks shall be published in the newspaper and posted on the Town’s website once a year consistent with Massachusetts General Law. Checks not claimed must be reported by the Treasurer/Collector to the Accountant so that revenue can be increased and the liability can be eliminated.

Procedure:

- All town bank accounts shall be reconciled each month; uncashed checks (tailings) will be identified and investigated as part of this process.
- The Treasurer/Collector shall identify all checks that have not cleared the bank account. If the check has not cleared for more than 60 days, the Treasurer/Collector (or designee) shall prepare a list of all uncashed checks.
- The Treasurer/Collector shall investigate the uncashed check by reviewing the check register run at the time of disbursement of the checks on the weekly accounts payable warrant. The uncashed payroll shall be checked by reviewing the payroll vendor’s check disbursement report.
- The Treasurer/Collector shall identify and record on a spreadsheet a listing of uncashed checks, the date of issuance, amount of the check, and name and address of check recipient.
- The Treasurer/Collector’s office shall send notice of the uncashed check and the amount to the recipient at their last known address and retain evidence of this mailing.
- If the check has not been cashed 120 days after the date of issuance, the Treasurer/Collector, consistent with Massachusetts General Law, shall submit a List of Uncashed Checks to the Accountant so that the cash can be adjusted and the liability of the tailings/abandoned property can be recorded on the General Ledger.
- The Treasurer/Collector shall publish the List of Uncashed Checks in a newspaper of general circulation consistent with state law.
- The Treasurer/Collector shall prepare a List of Abandoned Property/Uncashed Checks for all checks that are not claimed after the public advertisement and submit a signed copy to the Accountant. The Accountant will increase the revenue of the Town on the General Ledger and eliminate the liability.

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Cash and Cash Investments	Issue Date: 12/13/16
Returned Checks	Policy & Procedure No. 4.8

Objective:

Departments Affected:

Policy:

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Cash and Cash Investments	Issue Date: 12/13/16
Reserve Fund Transfers	Policy & Procedure No. 4.9

Objective:

To establish policies and procedures for the effective and efficient handling and timely processing of unforeseen expenditures for payments above appropriation.

Departments Affected:

All departments, boards and commissions holding responsibility for departmental appropriation.

Policy:

Under MGL 40 § 6 reserves a sum of money appropriated by Town meeting to be used at the discretion of the Finance Committee to cover extraordinary or unforeseen expenses that arise during the fiscal year.

Procedures:

- A Reserve fund Transfer Request must be completed by the department head and submitted to the Accounting Office in triplicate. Schedule must include account in which the transfer is to be made.
- Accountant must provide balances in accounts being transferred to prior and overall departmental remaining budget prior to review by the Town Administrator and submittal to the Finance Committee.
- The Accountant will make notification to the Finance Committee Chair for inclusion of next available meeting.
- Majority vote of the Finance Committee must be received prior to transfer being fulfilled.
- Copies of vote shall be distributed to the Accounting Office, the department requesting the transfer and the Finance Committee shall retain a copy.
- Accounting Office after approvals have been established shall amend the budget appropriation to reflect the approval.

General Considerations and Guidelines:

- The reserve fund is to be used for “extraordinary or unforeseen expenditures” as determined by the Finance Committee.
- The Finance Committee acts in place of special town meeting, thus saving the Town the expense of such meeting.
- The Finance Committee cannot approve any reserve fund transfer request for a purpose that the Town meeting has already voted against.
- Funds cannot be expended directly from the reserve fund. The funds must be transferred to the existing account where they can be spent for the requested purpose.
- Any unexpended balance should remain earmarked, and should not be used for another purpose or be transferred back to the reserve fund.

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- Request should be made for unpaid or future expenses, not to reimburse an account for expenses that have already been paid.
- Under the MGL expenditures in excess of appropriation is strictly forbidden. Consequently, departments should never incur expenses in excess of appropriation before approval of the reserve fund transfer.

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Cash and Cash Investments	Issue Date: 12/13/16
Credit Cards	Policy & Procedure No. 4.10

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Cash and Cash Investments	Issue Date: 12/13/16
Reserves	Policy & Procedure No. 4.11

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Cash and Cash Investments	Issue Date: 12/13/16
Stabilization	Policy & Procedure No. 4.12

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Cash and Cash Investments	Issue Date: 12/13/16
Electronic Payments	Policy & Procedure No. 4.13

**Town of Blackstone
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Motor Vehicle Tax	Issue Date: 12/13/16
Commitments and Billings	Policy & Procedure No. 5.1

Objective:

To establish motor vehicle excise commitment policy that is consistent with statutory requirements in order to assure collection of committed charges based on a sound system of internal controls.

Departments Affected:

All financial departments responsible for the processing and collection of motor vehicle tax.

Policy:

In order to optimize the Town’s cash flow the Treasurer/Collector shall mail within 15 days of receipt of Assessor’s warrant for each commitment from the Registry of Motor Vehicles (RMV). The first motor vehicle excise (MVX), which is the largest commitment, shall be mailed within 21 days of receipt of the commitment. Bills are due and payable in full within 30 days of issue. Demand notices will be mailed within 15 days of the due date of the excise bill. Interest is charged at 12 percent per annum and begins accruing from the due date until paid.

A \$5.00 demand fee will be included along with interest on the unpaid balance of the bill. Payments not paid at demand are subject to:

- Warrant fee of \$10
- If not paid the RMV fees

The RMV maintains all records on motor vehicle values. Several times over the course of the year the RMV provides an electronic transfer to the Assessor, who documents the total value of the specific commitment and contains all of the information for billing to specific motor vehicle owners.

Procedures:

Commitment

- The Town’s deputy collector is responsible to acquire the billing/commitment files from the RMV on a timely basis. The RMV provides the make, model year, vehicle identification number, and registration number, as well as the owner, the address where the car is registered and the value. The file is converted by the deputy collector and emailed to the treasurer/collector.
- The treasurer/collector provides the file to the assessor’s office, which is responsible for identifying any exempt vehicles and highlight which vehicles, should be deleted from the billing commitment (i.e. Town vehicles).
- The Assessors then completes the commitment information for the MVX billing. The Board of Assessors sends either a Letter of Commitment or Warrant to the Treasurer/Collector and a Notice of Commitment to the Accountant.
- The Treasurer/Collector sends the deputy collector a listing of adjustments/abatements so they can update their commitment file.

Billing

- The Treasurer/Collector Creates a commitment in the MUNIS accounts receivable system for the MVX taxes to be billed and collected based on the file as edited by the Assessors (which should reconcile to

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the Warrant/Commitment Letter). This file represents the commitment book and will have the number of bills and the total dollar amount.

- When the Treasurer/Collector has reviewed:
 - The totals on the MUNIS MVX commitment
 - The Letter of MVX Commitment/Warrant from the Board of Assessors
 - The sample MVX bills and Control Total Summary of bills provided by the PKS AssociatesAnd verifies that all are in agreement, and then the Treasurer/Collector will give the signed authorization to the Deputy Collector to mail the MVX bills.
- The Treasurer/Collector's approval is the required authorization from the Deputy Collector to release and mail the MVX bills.
- The Treasurer/Collector posts the Affidavit as to the Time of Sending Bills and posts it on the bulletin board outside of the Town Clerk's office in order to provide appropriate evidence of the mailing to interested residents.

**Town of Blackstone
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Motor Vehicle Tax	Issue Date: 12/13/16
Payment Processing	Policy & Procedure No. 5.2

Objective:

To establish policies and procedures for the effective and efficient processing of MVX payments.

Departments Affected:

All financial departments responsible for the processing and collection of motor vehicle tax.

Policy:

To assure the correct application of MVX taxpayers' payments to their accounts on a timely basis.

Procedures:

Current Payments and Demand Payments

- Current MVX payments and demand payments are received
 - By mail to a lock box
 - In person at the Treasurer/Collector's office

Lock Box Payments

- Tax payments are sent by mail to the Town's lock box. Bank staff records the payments and each day the bank file is delivered via courier to the Treasurer/Collector's office.
- The lock box file is transferred to the MUNIS server.
- The file is accessed and the Lock Box File Report is printed, listing all payments, the total number of payments, the total dollar amount and totals by type (real, personal, excise or water/sewer).
- The Treasurer/Collector then accesses in MUNIS the Process Lockbox File option in order to apply the payments to the taxpayers' accounts in the MUNIS Accounts Receivable Module. The Lock box Payment Processed Report is printed and it is reviewed to assure the "total number of items/payments" and "total dollar amount reconcile to the control totals on the file/report from the Bank.
- In the Payment Entry option of MUNIS the payment proofs for lockbox payments and verifies the "total number of items/payments" and "total dollar amount" totals the deposit file.
- A Payment Proof will be submitted along with the deposit file to the Accountant's office in order to post the lockbox payments to the general ledger.

Payments at Cashier Window and Mail-in

- The Assistant Treasurer/Collector accepts payment from the taxpayer, provides that taxpayer with a stamped copy of the tax bill as a receipt, and retains a remittance copy of the bill and the cash or check in the cash drawer.
- At the end of the day the Assistant Treasurer/Collector or clerk will close out the day's work. The clerk will leave \$??? In the cash drawer. The clerk will tally and assure that the amount of cash/checks, and the total on the tax bills agree. The proof will be the cash sheet and adding machine tape. On the day of receipt the payments are not entered into the MUNIS system. They are entered the following day.
- The Treasurer/Collector is responsible for confirming the remittance copy of bills against the adding machine tape and making bank deposits.

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- The following day a new payment batch is opened in MUNIS under the Payment Processing/Payment Entry option of Accounts Receivable module. It is important that the entry date and the interest effective date be the same date as the actual activity.
- The Assistant Treasurer/Collector will enter all payments of the prior day in MUNIS and will access the account by the account number. The assistant will apply the payment to the person's account and make any allocation, if necessary, to interest due.
- It is important that the assistant enter only the payments/receipts at the counter of the prior day into one segregated batch. The MUNIS Payments Proof Record of cash and must reconcile to the cash and checks reported on the prior days Cash Sheet and adding tape. This provides a control such that the MUNIS Payments Proof Summary exactly matches the adding tape and deposit slip of the prior day.
- The assistant will review the prior day's deposit slip for window collections and the MUNIS Payment Proof to verify that they are in agreement. After this the transactions can be recorded in the Treasurer's Cashbook.
- The assistant will submit the MUNIS Payment Proof and the prior days deposit slip to the accounting office. This serves as evidence of the application of all payments/receipts deposited at the bank to the accounts receivable system.
- Based on verification that the MUNIS Payment Proof and the bank deposit slip, the accountant then will post the transaction to the General Ledger assuming both source documents agree.

Collections

- The Treasurer/Collector clerk maintains an Excel MVX Collection Calendar that documents, by year, for each commitment:
 - Commitment Date
 - Demand Date
 - Warrant Date
 - Final Warrant Date
 - Flagging (bills marked) Date
- Demand bills are issued within two weeks of the due date of the original bill. A \$5.00 demand fee and 12 percent interest is added to the balance due, as allowed by Massachusetts General Law.
- If the excise bill remains unpaid, then the Deputy Collector is utilized to continue the collection process.
- Warrant notices are issued by the Deputy within 15 days of the demand bill due date with a warrant fee of \$10.00.
- As a final collection action the vehicle is 'marked.' The deputy notifies the RMV of any unpaid bills within 90 days of the excise bills issue date. Delinquent taxpayers are notified at this point that the RMV has marked their license as non-renewable and that there is reciprocity to other states.
- The Treasurer/Collector has contractually delegated to the Deputy Collector, the responsibility to mark a resident's driver's license and registration on the database at the RMV. This action prohibits the vehicle owner from registering the car or renewing their license without paying outstanding balances.
- The Treasurer/Collector, through the Deputy Collector, is also responsible for removing the marking from the RMV's database upon receipt of the MVX payment from the car owner/taxpayer. The Deputy Collector has electronic access to the RMV database.

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Motor Vehicle Tax	Issue Date: 12/13/16
Abatement and Exemptions	Policy & Procedure No. 5.3

Objective:

To establish policies and procedures for the effective and efficient handling of abatement and exemptions.

Departments Affected:

All financial departments responsible for the processing and collection of motor vehicle tax.

Policy:

The Town’s policy is that the Assessor’s office has sole responsibility for granting MVX abatements when appropriate. It is policy to receive and process motor vehicle abatement applications in a timely manner in accordance with state law.

Procedures:

- Request for abatements can either be presented at the counter in the Assessor’s office or may be billed in writing (State Tax Form 126-MVE) with the Assessor’s office on or before December 31st of the year following the year for which the excise was assessed. If the excise bill was sent after December 31st of the succeeding year, the request for abatement must be made on or before the 30th day after the notice was sent. If the taxpayer has disposed of the vehicle, the taxpayer must present proof in the form of plate return receipt or the bill of sale.
- When a taxpayer has a dispute with the value assigned by the RMV to their vehicle, the Assessors will refer the taxpayer to contact the RMV, as both parties have the vehicle information which the Assessor does not have.
- The RMV will then send or fax a corrective letter to the Assessor’s office if they find that an error in the valuation has been made by the RMV.
- After the Assessor receives notification from the RMV identifying the error, the Board of Assessors will then enter the abatement to the MVX billing database under the abatement option, as well as the date of abatement and the reason for the abatement.
- At this time the Assessor’s office will also issue a revised bill to the motor vehicle owner for the correct excise amount due for the vehicle.
- The Assessors forward a listing of all abatements by levy year that have been granted by the Board of Assessors to the Treasurer and Accountant on a daily basis. The Accounting office uses this report and the MUNIS detail as documentation to post the abatements to the General Ledger.

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Motor Vehicle Tax	Issue Date: 12/13/16
Refunds	Policy & Procedure No. 5.4

Objective:

To establish policies and procedures for the effective and efficient handling of Motor Vehicle Refunds.

Departments Affected:

All financial departments responsible for the processing and collection of motor vehicle tax.

Policy:

On a weekly basis, the Treasurer/Collector should produce a MUNIS MVX Credit Balance Report to allow the Treasurer/Collector's staff to process refunds.

Procedures:

- The Treasurer/Collector will prepare the Authorization for Payment listing the motor vehicle owner and the amount to be refunded. Each refund listed on the Schedule of Bills Payable should be coded with the appropriate accounts receivable code by fiscal year. This document must be signed by the Treasurer/Collector and is submitted to the Accounting office for payment on the warrant.
- When the warrant is approved and the checks are printed, clerk in the Treasurer/Collector's office does a final review and the check is mailed.

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Real Estate and Personal Property Tax	Issue Date: 12/13/16
Commitments and Billings	Policy & Procedure No. 6.1

Objective:

To establish real and personal tax commitment policy that is consistent with statutory requirements in order to assure collection of committed charges based on a sound system of internal controls.

Departments Affected:

All financial departments responsible for the processing and collection of real and personal tax.

Policy:

The Town’s policy is to issue bills for real estate and personal property on a quarterly basis in order to optimize cash flow. Interest is charged at a rate of 14 percent per annum for any unpaid balances after the respective due dates. Demand notices will be mailed by May 31st on any balances unpaid after May 1st. A demand fee of \$5.00, as well as 14 percent interest, will be included on the demand bills in accordance with state statute.

Procedures:

- The Assessor’s maintain an automated file of all property valuations (Vision Database). Before a tax commitment can be run, an LA4 Report is run on the Vision System. An LA4 provides the following information: type (class), parcel counts, assessed value and total.
- The Assessor’s office identifies and completes the steps, using MUNIS checklist for preliminary or actual billing. The same LA4 report is run in MUNIS. An audit of the two reports is completed to check for errors. Any discrepancies are identified and corrected so that the MUNIS file valuations reconcile to the LA4 produced by Vision.
- When the two LA4 reports are in agreement, the preliminary or actual bill process in MUNIS can continue.
- The Assessors then completes the Assessors Warrant to the Treasurer/Collector – State Tax Form 58 that documents the amount of the total billing to be committed for collection. One copy of the Warrant shall be forwarded to the Treasurer/Collector. The Assessors prepare one warrant (State Tax Form 58) for the real estate commitment and a separate warrant (State Tax form 57) for personal property commitment. A Notice of Commitment is prepared for the Accountant.
- The Assessor will also submit one copy of the MUNIS Accounts Receivable with the final assessed values to the Department of Revenue (DOR) as verification that the assessed valuations, which were used as the basis for the billing, are in agreement with those reported on the Tax Recapitulation Sheet and that the Town had submitted to the DOR for certification of the tax rate.

Billings

- The Treasurer/Collector will transmit both Real Estate and Personal Property figures along with the MUNIS Accounts Receivable file to the Deputy Collector.
- When the Treasurer/Collector has reviewed:
 - The totals on MUNIS Accounts Receivable provided by the Assessor’s office.
 - The Real Estate Warrant and Personal Property Warrant – State Tax Form 57 and 58
 - The sample tax bills and Control Totals Summary Total of bills provided by Vision.

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And verifies that all are in agreement, the Treasurer/Collector will then give signed authorization to the Deputy Collector to mail the tax bills.

- The Treasurer/Collector's approval is the required authorization for the vendor to release and mail the tax bills
- The Treasurer/Collector sends notice of tax billing and commitment to the Department of Revenue – Bureau of Accounts and also posts the Affidavit of Mailing. Upon receipt, the Treasurer/Collector completes State Form 214, Affidavit as to Time of Sending Bills form and posts it on the bulletin board outside the Town Clerk's office in order to provide appropriate evidence of mailings to interested taxpayers.

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Real Estate and Personal Property Tax	Issue Date: 12/13/16
Payment Processing	Policy & Procedure No. 6.2

Objective:

To establish policies and procedures for the effective and efficient processing of real estate and personal Property Tax payments.

Departments Affected:

All financial departments responsible for the processing and collection of real estate and personal property tax.

Policy:

To assure the correct application of real estate and property taxpayers’ payments to their accounts on a timely basis. Receipts that are subject to interest, demands and other costs shall be applied based on the following order: interest, demand or other fees, utility liens, betterment assessments, tax title liens, real estate or personal property tax due.

Procedures:

Current Payments and Demand Payments

- Current MVX payments and demand payments are received
 - By mail to a lock box
 - In person at (or mail to) the Treasurer/Collector’s office

Lock Box Payments

- Tax payments are sent by mail to the Town’s lock box. Bank staff records the payments and each day the bank file is delivered via courier to the Treasurer/Collector’s office.
- The lock box file is transferred to the MUNIS server.
- The file is accessed and the Lock Box File Report is printed, listing all payments, the total number of payments, the total dollar amount and totals by type (real, personal, excise or water/sewer).
- The Treasurer/Collector then accesses in MUNIS the Process Lockbox File option in order to apply the payments to the taxpayers’ accounts in the MUNIS Accounts Receivable Module. The Lock box Payment Processed Report is printed and it is reviewed to assure the “total number of items/payments” and “total dollar amount reconcile to the control totals on the file/report from the Bank.
- In the Payment Entry option of MUNIS the payment proofs for lockbox payments and verifies the “total number of items/payments” and “total dollar amount” totals the deposit file.
- A Payment Proof will be submitted along with the deposit file to the Accountant’s office in order to post the lockbox payments to the general ledger.

Tax Servicing Companies’ Payments

- The various tax servicing companies provide files/transmissions of the tax payments for all of the tax accounts that are responsible for paying. The Treasurer/Collector’s office prints an output of the specific tax service company’s file listing all payments, the total number of payments and total dollar amount.
- The Assistant Treasurer/Collector that accesses in MUNIS the Process Lockbox File option in order to apply the payments to the taxpayer’s account in the MUNIS Accounts Receivable Module. The Treasurer/Collector prints the Lockbox Payments Processed Report and reviews the “total number of

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items/payments” and “total dollar amount” to assure they reconcile to the control totals on the file/report from the respective tax service company.

- The Assistant Treasurer/Collector then in the Payment Entry option of MUNIS produces the Payments Proof for the tax service company payments and verifies the “total number of items/payments” and “total dollar amount” control totals to the original file transmitted by the tax service company and then prepares the deposit slip.
- The Assistant Treasurer/Collector will then submit the Payment Proof, the deposit slip and the tax service company’s control totals to the Accounting office as documentation to allow posting to the General Ledger.

Payments at Cashier Window and Mail-in

- The Assistant Treasurer/Collector accepts payment from the taxpayer, provides that taxpayer with a stamped copy of the tax bill as a receipt, and retains a remittance copy of the bill and the cash or check in the cash drawer.
- At the end of the day the Assistant Treasurer/Collector or clerk will close out the day’s work. The clerk will leave \$??? In the cash drawer. The clerk will tally and assure that the amount of cash/checks, and the total on the tax bills agree. The proof will be the cash sheet and adding machine tape. On the day of receipt the payments are not entered into the MUNIS system. They are entered the following day.
- The Treasurer/Collector is responsible for confirming the remittance copy of bills against the adding machine tape and making bank deposits.
- The following day a new payment batch is opened in MUNIS under the Payment Processing/Payment Entry option of Accounts Receivable module. It is important that the entry date and the interest effective date be the same date as the actual activity.
- The Assistant Treasurer/Collector will enter all payments of the prior day in MUNIS and will access the account by the account number. The assistant will apply the payment to the person’s account and make any allocation, if necessary, to interest due.
- It is important that the assistant enter only the payments/receipts at the counter of the prior day into one segregated batch. The MUNIS Payments Proof Record of cash and must reconcile to the cash and checks reported on the prior days Cash Sheet and adding tape. This provides a control such that the MUNIS Payments Proof Summary exactly matches the adding tape and deposit slip of the prior day.
- The assistant will review the prior day’s deposit slip for window collections and the MUNIS Payment Proof to verify that they are in agreement. After this the transactions can be recorded in the Treasurer’s Cashbook.
- The assistant will submit the MUNIS Payment Proof and the prior days deposit slip to the accounting office. This serves as evidence of the application of all payments/receipts deposited at the bank to the accounts receivable system.
- Based on verification that the MUNIS Payment Proof and the bank deposit slip, the accountant then will post the transaction to the General Ledger assuming both source documents agree.

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Real Estate and Personal Property Tax	Issue Date: 12/13/16
Abatement and Exemptions	Policy & Procedure No. 6.3

Objective:

To establish policies and procedures for the effective and efficient handling of abatement and exemptions.

Departments Affected:

All financial departments responsible for the processing and collection of real estate and personal property tax.

Policy:

The Town’s policy is to assure the correct application of taxpayers’ abatements and exemptions to their accounts on a timely basis.

Exemptions are granted for one year only. The qualifying date is July 1st for veterans, blind, surviving spouses, elderly and other along with tax deferrals that meet the statutory requirements.

The Assessor’s office grants abatements for real estate and personal property if appropriate. Once approved by the Board of Assessors, or as a result of an appeal by the Appellate Tax Board by a taxpayer. The Assessor’s office staff enters all abatements and exemptions into MUNIS. As a result of the process, a Notice of Certificate of Abatement Document is created, signed by the Board of Assessors, and mailed to the taxpayer and provided to the Treasurer/Collector as evidence of the reduction in accounts receivable.

Procedures:

- The Assessors forward documentation of each abatement or exemption that has been granted by the Board of Assessors to the Treasurer/Collector and to the Accountant. This is accomplished by printing and submitting the MUNIS txabtent Post Open Abatements Report. The Assessors will forward it with a transmittal signed by the majority of the Board of Assessors (as the abating authority). This activity has been updated in the MUNIS detailed receivable ledger.
- The MUNIS txabtent Post Open Abatements Report is the source document for the Town Accountant to Post Summary Journal, which will post all of the period’s tax related abatements and exemptions to the General Ledger.
- The Treasurer/Collector should review the abated accounts to determine any credit balances in real and personal property tax accounts caused by the granting of the abatement/exemption.
- The Treasurer/Collector must issue a refund to any taxpayer whose account has a credit balance due to an abatement/exemption within 30 days.

**Town of Blackstone
Financial Policies & Procedures**

Real Estate and Personal Property Tax	Issue Date: 12/13/16
Refunds	Policy & Procedure No. 6.4

Objective:

To establish policies and procedures for the effective and efficient handling of real estate and personal property refunds.

Departments Affected:

All financial departments responsible for the processing and collection of real estate and personal property tax.

Policy:

The Treasurer/Collector is responsible for taxpayer refunds. Refunds for real estate and personal property are processed after May 1 (last tax due date) of any given year to assure all taxes due are for the fiscal year have been paid. All precaution must be taken to assure the correct party receives the refund. Refunds must be processed within 30 days (of the posting of the abatements/exemptions) fro credit balances caused by the abatement/exemption.

Procedures:

Refunds on Overpayments

- When a taxpayer contacts the Treasurer/Collector’s office to indicate that their account has a credit balance and that they are due a refund, the staff will advise the taxpayer
 - To submit a letter requesting the refund
 - To provide proof of payment (copy of front and back side of cancelled check)
- Once the credit balance is verified in the accounts receivable system and this evidence of proof of payment is reviewed and verified, the Treasurer/Collector’s staff will check other committed accounts (i.e. MVX and water sewer) to verify that the taxpayer is current in other payments to the Town.
- If the taxpayer is not current in the payment of other balances due to the Town, then the clerk applies (transfers) the credit balance from the overpaid account to the account with the outstanding balance. This is called a transfer payment. If the credit balance is greater than the amount that was applied to the outstanding balance then the remaining credit balance shall be refunded.
- If the taxpayer is current on all other accounts, then the clerk will prepare the Authorization for Payment listing the taxpayer and the amount to be refunded. Each refund listed on the Schedule of Bills Payable should be coded with the appropriate accounts receivable code by fiscal year. This document must be signed by the Treasurer/Collector and is submitted to the Accounting office for payment on the warrant.
- When the warrant is approved and the checks are printed, clerk in the Treasurer/Collector’s office does a final review to examine for errors. After final review a copy of the check is made and retained in the refund file created for that taxpayer with a copy of the authorizing documentation and the check is mailed.

Refunds on Abatements

- The same procedures as on above described refunds are followed. However, the taxpayer does not have to submit a copy of the canceled check, since the abatement has caused the overpayment and the abatement itself is the documentation to allow a refund.

**Town of Blackstone
Financial Policies & Procedures**

Real Estate and Personal Property Taxes	Issue Date: 12/13/16
Special Situations	Policy & Procedure No. 6.5

Objective:

To establish policies and procedures for the effective and efficient handling of real estate and personal property.

Departments Affected:

All financial departments responsible for the processing and collection of real estate and personal property tax.

Policy:

To assure the accurate calculation and subsequent handling of special situations that may occur in maintaining real estate and personal property tax.

Procedures:

MUNIS (Credit Balance) Reports

- On a monthly basis, the Treasurer/Collector (or designee) shall print and review the MUNIS Credit Balance Reports for real and personal property to monitor the number of accounts with credit balances and the dollar amount of credit balances.
- For prior tax years, the Treasurer/Collector shall ensure that all credit balances are investigated and that the account is corrected if there has been an error, that the credit is posted to an outstanding balance in another account (i.e. personal property or water/sewer), or to assure that a refund is issued to the taxpayer. For the current tax year, credit balances are acceptable until the fourth quarter tax due date.
- In May and June, the Treasurer/Collector and staff shall research all current year credit balances and issue refund checks when appropriate. This should be done to prevent a liability on the Town's books, to assure that the taxpayer receives funds that are due to them on a timely basis, and to eliminate the cost of paying interest to taxpayers.
- The Treasurer/Collector shall submit a Report of Credit Balances by Year to the Accountant on a monthly basis so that the liability can be recorded on the Town's General Ledger and Balance Sheet.

Omitted/Revised Assessments

- The Assessors' office shall correct omitted or revised assessments either by June 20 or 90 days after the mailing of the tax bill, whichever is later. If the omission or revision is not corrected by June 20th, it cannot be corrected.
- The Assessors record the amount of the omitted assessments on State Tax Form 62 – A warrant issued by the Assessors to the Treasurer/.Collector to collect taxes for the omitted assessment. Revised assessments are recorded on State Tax Form 63. One copy of the warrant is issued to the Treasurer/Collector and at the same time they provide one copy of the State Tax Form 63 to the Accountant for posting to the General Ledger and to provide an audit trail for the month-end reconciliation of the tax receivable.

Apportionment (of unpaid taxes)

- Ann apportionment divides unpaid taxes between the assessed owner and the owner who is acquiring the property after the January 1 assessment date.
- Reassessments correct the already committed tax bill. Reassessments are issued because of various errors. There must be a balance of taxes due to issue a reassessment.

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- A warrant is issued when a previously exempt property is sold. The Pro forma takes the property out of its exempt status, In this case, a letter is issued to the Treasurer/Collector identifying the property as an omitted assessment and a warrant is issued using State Tax Form 62 to assure that the full tax is collected. The warrant (State Tax Form 62) is also submitted to the Accountant for posting to the General Ledger.

Special Situations/Commitment/Receivable Update

- The Treasurer/Collector must record the amount of taxes to be collected as a result of the omitted assessment or the revised assessment in the MUNIS Accounts Receivable system.
- This procedure to adjust the commitment for the quarter is important and should be done by the Treasurer/Collector within a day or two of receipt of the warrant from the Assessors (i.e. State Tax Forms, 44, 62 or 63).
- The Treasurer/Collector will access the Commitment Maintenance in the MUNIS AR system, access the correct taxpayer account, and add the new taxes to be committed (for an omitted assessment) or adjust the taxes to be collected (for revised assessments).
- The Treasurer/Collector should verify that all accounts that have been adjusted in MUNIS reconcile to the source documents (revised and omitted assessment warrants from the Assessors).
- The Treasurer/Collector shall verify that the edit reports reconcile to the Assessors warrants.
- The documentation should be forwarded to the Accountant who is responsible to post the batch of commitment revisions to the General Ledger. The Accountant also has the original warrants as submitted by the Assessors.

**Town of Blackstone
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Purchasing Process	Issue Date: 12/13/16
Supplies and Services	Policy & Procedure No. 7.1

Objective:

- To establish policies and procedures for the purpose of purchasing supplies and services as described in Mass. General Laws Chapter 30B.
- To provide guidance to department heads as to the proper use and effective management of public purchasing supplies and services.

Departments Affected:

All departments, boards and commissions responsible for the protection of Town’s resources.

Policy:

- ANY purchase over \$15,000 regardless of MGL over procurement must be presented before the Capital Planning Committee per the Town Charter.
- For purchases under \$5,000 “sound business practices” should be used.
- For purchases between \$5,000 and \$24,999, three oral or written quotes must be obtained and procurement data sheet must be completed.
- Purchases over \$24,999 must be competitively bid through the sealed bidding process. The Chief Procurement Officer has responsibility for monitoring these bids for compliance with Chapter 30B.
- Exempt purchases need procurement forms to show acknowledgment of exemption. For exempt purchases, only one form has to be completed and kept on file for that fiscal year.
- Purchases over \$5,000 must be in the form of a written contract signed by the vendor and Town representative authorized to sign contracts. A purchase order with the Town’s terms and conditions on the back, signed by the vendor and the town can constitute a contract. A copy of ALL contracts must be kept organized within each department and a copy provided to the Accounting Department.
- Refer to the Chief Procurement Officer’s Purchasing manual for detailed procedures.
- In the event of an emergency, the department head can purchase directly any supplies or services essential to the health and safety of persons and property. The Chief Procurement Officer must be notified as soon as possible in order to obtain any necessary waivers.
- In the event a vendor has been chosen by the Town through the procurement process to provided a specific supplies or services for a specific time period, that vendor must be used for all specified purposes whenever reasonably possible.
- **Invoices cannot be paid unless procurement procedures have been followed.**

Procedure Between \$5,000 and \$24,999

- DETERMINE WHAT YOU NEED TO BUY. If you can reasonably expect your purchases for a particular service or good to be over \$5,000 or \$25,000 during the course of the fiscal year, you should follow the relevant procurement procedures. For example, if you know you need 20 desks at \$300 each,

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you cannot buy them separately to avoid obtaining 3 quotes. Be sure you can justify, with a good business reason, the practice of small, frequent purchases from one vendor.

- **WRITE A PURCHASE DESCRIPTION.** This assures there is no discrepancy in what is told to each vendor from whom bids are solicited. Include:
 - Detail description of item or service
 - Quantities required
 - Schedule of performance
 - Delivery terms
 - Payment terms
 - Insurance or other special requirements
- **ESTIMATE THE COST OF YOUR NEEDS.** This step only begins the process. The contract price, not your estimate, determines the procedures to follow. If you go through the phone quote procedure and the lowest bid is \$25,000, then you must do a formal bid. If, after investigation, the cost of the good or service is over \$5,000, you must obtain 3 phone quotes.
- **SOLICIT PHONE QUOTES OR WRITTEN QUOTES.**
- **DOCUMENT THE INFORMATION ON THE PROCUREMENT DATA FORM.**
- **SUBMIT THE PROCUREMENT DATA FORM FOR APPROVAL AND AWARD.** The Chief Procurement Officer (CPO), or a department head who has been delegated by the Chief Procurement Officer (Delegate), must approve the form and award the contract. The contract is awarded to the lowest bidder who is responsive (offering the quality of supply or service needed) and responsible (demonstrates the ability, capacity and integrity to perform the contract.) **DO NOT ORDER** the goods or services until this step has been completed.
- **PREPARE A CONTRACT WITH TERMS AND CONDITIONS.** Written contracts are required for purchases over \$5,000. The CPO or Delegate must prepare 3 copies of a written contract signed by the vendor. Include all information from the purchase description (#2 above.) One copy is kept with the awarding department, one with the CPO and the last one with the Town Accountant.

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TOWN OF BLACKSTONE PROCUREMENT DATA FORM

Use this form for the purchase of supplies and services from \$5,000 to \$24,999. The original of this form, the contract between Town & Vendor and any supporting pages must be filed with the Chief Procurement Officer (CPO) Orders cannot be placed without CPO approval. The minimum requirement of Chapter 30B is requesting three quotes, telephone or written. The Town Accountant will not process a payment unless this approved form is in the CPO's central purchasing file when requesting payment.

Name _____ Today's Date _____
(Person completing this form)

VENDOR AWARDED	DATE AWARDED	DOLLAR AMOUNT AWARDED

SPECIFICATIONS- Description of goods or services to be purchased (Attach additional pages wherever necessary)

BIDDERS- If bidder is not responsive it must be explained

Name	Quoted Bid	Phone #	City, State	Responsive Y or N

EXEMPTION FROM 30B– Explain – If applicable, you must include the state bid contract number, collaborative bid organization or name of agency, contact person, phone number.

(Sole source, school textbooks, library books, intergovernmental contracts, emergencies that would endanger health and safety of people or property, special education supplies or services delivered directly to students, job related training, insurance, lawyers, designers, public accountants, deputy tax collector services, health care services, snowplowing, towing services, bank services, real estate, solid waste collection/disposal, required advertisements, purchases with gift or trust money.)

Non-Collusion – I certify that I am not aware of any violations of Chapter 268A (ethics issues) regarding this procurement. I am not aware of any potential conflict of interest that I have not already disclosed to the CPO

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Signature – Officer completing this form

Signature- Chief Procurement Officer

Town Accountant cannot pay invoices without a written contract unless there is a state or collaborative bid contract.

Procedure over \$25,000

- DETERMINE WHAT YOU NEED TO BUY. If you can reasonably expect your purchases for a particular service or good to be over \$25,000 during the course of the fiscal year, you should follow the relevant procurement procedures. For example, if you know you need 20 computers at \$1500 each, you cannot buy them separately to avoid the formal bid process. Be sure you can justify, with a good business reason, the practice of small, frequent purchases from one vendor.
- WRITE AN INVITATION FOR BID. This assures there is no discrepancy in what is told to each vendor from whom bids are solicited. Include:
 - Detail description of item or service
 - Quantities required
 - Schedule of performance

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- Delivery terms
- Payment terms
- Insurance or other special requirements
- ESTIMATE THE COST OF YOUR NEEDS. This step only begins the process. The contract price, not your estimate, determines the procedures to follow. If you go through the phone quote procedure and the lowest bid is \$25,000, then you must do a formal bid.
- Advertise in the Goods and Services Bulletin 2 weeks prior to bid opening as well as in the local newspaper. The advertisement must also be posted on a Town bulletin board at least 1 week prior.
- DOCUMENT THE ALL COMPANIES THAT HAVE PICKED UP THE BID DOCUMENTS ON THE PROCUREMENT DATA FORM.
- HOLD THE BID OPENING AND AWARD THE CONTRACT. The Chief Procurement Officer (CPO), or a department head who has been delegated by the Chief Procurement Officer (Delegate), must approve the form and award the contract. The contract is awarded to the lowest bidder who is responsive (offering the quality of supply or service needed) and responsible (demonstrates the ability, capacity and integrity to perform the contract.) DO NOT ORDER the goods or services until this step has been completed.
- PREPARE A CONTRACT WITH TERMS AND CONDITIONS. Written contracts are required for purchases over \$5,000. The CPO or Delegate must prepare 3 copies of a written contract signed by the vendor. Include all information from the purchase description (#2 above.) One copy is kept with the awarding department, one with the CPO and the last with the Town Accountant.

**Town of Blackstone
Financial Policies & Procedures**

Purchasing Process	Issue Date: 12/13/16
Building and Public Works Construction	Policy & Procedure No. 7.2

Objective:

- To establish policies and procedures for the purpose of purchasing supplies and services as described in Mass. General Laws Chapter 149 and 30 39M for building projects and public works projects.
- To provide guidance to department heads as to the proper use and effective management of public purchasing supplies and services.

Departments Affected:

All departments, boards and commissions responsible for the protection of Town’s resources.

Policy for Chapter 30 section 39M

- **ANY** purchase over \$15,000 regardless of MGL over procurement must be presented before the Capital Planning Committee per the Town Charter.
- For purchases under \$10,000 “sound business practices” should be used.
- 30B may be used for supplies and services that are for purchases between \$5,000 and \$24,999, three oral or written quotes must be obtained and procurement data must be completed. Refer to Supplies and Services Policy 10.1.
- Purchases over \$10,000 must be competitively bid through the sealed bidding process. The Chief Procurement Officer has responsibility for monitoring these bids for compliance with Chapter 30 39M.
- Exempt purchases need procurement forms to show acknowledgment of exemption. For exempt purchases, only one form has to be completed and kept on file for that fiscal year.
- Purchases over \$5,000 must be in the form of a written contract signed by the vendor and Town representative authorized to sign contracts. A purchase order with the Town’s terms and conditions on the back, signed by the vendor and the town can constitute a contract. A copy of ALL contracts must be kept organized within each department and a copy provided to the Accounting Department.
- Refer to the Chief Procurement Officer’s Purchasing manual for detailed procedures.
- In the event of an emergency, the department head can purchase directly any supplies or services essential to the health and safety of persons and property. The Chief Procurement Officer must be notified as soon as possible in order to obtain any necessary waivers.
- **Invoices cannot be paid unless procurement procedures have been followed.**

Policy for Chapter 149

- For purchases under \$25,000, three oral or written quotes must be obtained and procurement data sheet must be completed.

Town of Blackstone Financial Policies & Procedures

- Purchases over \$25,000 must be competitively bid through the sealed bidding process. The Chief Procurement Officer has responsibility for monitoring these bids for compliance with Chapter 149
- Exempt purchases need procurement forms to show acknowledgment of exemption. For exempt purchases, only one form has to be completed and kept on file for that fiscal year.
- Purchases over \$5,000 must be in the form of a written contract signed by the vendor and Town representative authorized to sign contracts. A purchase order with the Town's terms and conditions on the back, signed by the vendor and the town can constitute a contract. A copy of ALL contracts must be kept organized within each department and a copy provided to the Accounting Department.
- Refer to the Chief Procurement Officer's Purchasing manual for detailed procedures.
- In the event of an emergency, the department head can purchase directly any supplies or services essential to the health and safety of persons and property. The Chief Procurement Officer must be notified as soon as possible in order to obtain any necessary waivers.
- **Invoices cannot be paid unless procurement procedures have been followed.**

Procedure Between \$5,000 and \$24,999

- **DETERMINE WHAT YOU NEED TO BUY.** If you can reasonably expect your purchases for a particular service or good to be over \$5,000 or \$25,000 during the course of the fiscal year, you should follow the relevant procurement procedures. For example, if you know you need 20 desks at \$300 each, you cannot buy them separately to avoid obtaining 3 quotes. Be sure you can justify, with a good business reason, the practice of small, frequent purchases from one vendor.
- **WRITE A PURCHASE DESCRIPTION.** This assures there is no discrepancy in what is told to each vendor from whom bids are solicited. Include:
 - Detail description of item or service
 - Quantities required
 - Schedule of performance
 - Delivery terms
 - Payment terms
 - Insurance or other special requirements
- **ESTIMATE THE COST OF YOUR NEEDS.** This step only begins the process. The *contract price*, not your estimate, determines the procedures to follow. If you go through the phone quote procedure and the lowest bid is \$25,000, then you must do a formal bid. If, after investigation, the cost of the good or service is over \$5,000, you must obtain 3 phone quotes.
- **SOLICIT PHONE QUOTES OR WRITTEN QUOTES.**
- **DOCUMENT THE INFORMATION ON THE PROCUREMENT DATA FORM.**
- **SUBMIT THE PROCUREMENT DATA FORM FOR APPROVAL AND AWARD.** The Chief Procurement Officer (CPO), or a department head who has been delegated by the Chief Procurement Officer (Delegate), must approve the form and award the contract. The contract is awarded to the lowest bidder who is responsive (offering the quality of supply or service needed) and responsible (demonstrates the ability, capacity and integrity to perform the contract.) **DO NOT ORDER** the goods or services until this step has been completed.
- **PREPARE A CONTRACT WITH TERMS AND CONDITIONS.** Written contracts are required for purchases over \$5,000. The CPO or Delegate must prepare 3 copies of a written contract signed by the vendor. Include all information from the purchase description (#2 above.) One copy is kept with the awarding department, one with the CPO and the last one with the Town Accountant.

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TOWN OF BLACKSTONE PROCUREMENT DATA FORM

Use this form for the purchase of supplies and services from \$5,000 to \$24,999. The original of this form, the contract between Town & Vendor and any supporting pages must be filed with the Chief Procurement Officer (CPO) Orders cannot be placed without CPO approval. The minimum requirement of Chapter 30B is requesting three quotes, telephone or written. The Town Accountant will not process a payment unless this approved form is in the CPO's central purchasing file when requesting payment.

Name _____ Today's Date _____
(Person completing this form)

VENDOR AWARDED	DATE AWARDED	DOLLAR AMOUNT AWARDED

SPECIFICATIONS- Description of goods or services to be purchased (Attach additional pages wherever necessary)

BIDDERS- If bidder is not responsive it must be explained

Name	Quoted Bid	Phone #	City, State	Responsive Y or N

EXEMPTION FROM 30B- Explain – If applicable, you must include the state bid contract number, collaborative bid organization or name of agency, contact person, phone number.

(Sole source, school textbooks, library books, intergovernmental contracts, emergencies that would endanger health and safety of people or property, special education supplies or services delivered directly to students, job related training, insurance, lawyers, designers, public accountants, deputy tax collector services, health care services, snowplowing, towing services, bank services, real estate, solid waste collection/disposal, required advertisements, purchases with gift or trust money.)

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Non-Collusion – I certify that I am not aware of any violations of Chapter 268A (ethics issues) regarding this procurement. I am not aware of any potential conflict of interest that I have not already disclosed to the CPO

Signature – Officer completing this form

Signature- Chief Procurement Officer

Town Accountant cannot pay invoices without a written contract unless there is a state or collaborative bid contract.

Procedure over \$10,000 for 30 39M

- DETERMINE WHAT YOU NEED TO BUY. If you can reasonably expect your purchases for a particular service or good to be over \$10,000 during the course of the fiscal year, you should follow the relevant procurement procedures. You cannot buy supplies or services separately to avoid the formal bid process. Be sure you can justify, with a good business reason, the practice of small, frequent purchases from one vendor.

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- **WRITE AN INVITATION FOR BID.** This assures there is no discrepancy in what is told to each vendor from whom bids are solicited. Include:
 - Detail description of item or service
 - Quantities required
 - Schedule of performance
 - Delivery terms
 - Payment terms
 - Insurance or other special requirements
- **ESTIMATE THE COST OF YOUR NEEDS.** This step only begins the process. The contract price, not your estimate, determines the procedures to follow. If you go through the phone quote procedure and the lowest bid is \$10,000, then you must do a formal bid.
- Advertise in the Central Register 2 weeks prior to bid opening as well as in the local newspaper. The advertisement must also be posted on a Town bulletin board at least 1 week prior.
- **DOCUMENT THE ALL COMPANIES THAT HAVE PICKED UP THE BID DOCUMENTS ON THE PROCUREMENT DATA FORM.**
- **HOLD THE BID OPENING AND AWARD THE CONTRACT.** The Chief Procurement Officer (CPO), or a department head who has been delegated by the Chief Procurement Officer (Delegate), must approve the form and award the contract. The contract is awarded to the lowest bidder who is responsive (offering the quality of supply or service needed) and responsible (demonstrates the ability, capacity and integrity to perform the contract.) **DO NOT ORDER** the goods or services until this step has been completed.
- **PREPARE A CONTRACT WITH TERMS AND CONDITIONS.** Written contracts are required for purchases over \$5,000. The CPO or Delegate must prepare 3 copies of a written contract signed by the vendor. Include all information from the purchase description (#2 above.) One copy is kept with the awarding department, one with the CPO and the last with the Town Accountant.

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Procedure over \$25,000 for 149

- **DETERMINE WHAT YOU NEED TO BUY.** If you can reasonably expect your purchases for a particular service or good to be over \$25,000 during the course of the fiscal year, you should follow the relevant procurement procedures. You cannot buy supplies or services separately to avoid the formal bid process. Be sure you can justify, with a good business reason, the practice of small, frequent purchases from one vendor.
- **WRITE AN INVITATION FOR BID.** This assures there is no discrepancy in what is told to each vendor from whom bids are solicited. Include:
 - Detail description of item or service
 - Quantities required
 - Schedule of performance
 - Delivery terms
 - Payment terms
 - Insurance or other special requirements
- **ESTIMATE THE COST OF YOUR NEEDS.** This step only begins the process. The *contract price*, not your estimate, determines the procedures to follow. If you go through the phone quote procedure and the lowest bid is \$25,000, then you must do a formal bid.
- Advertise in the Central Register 2 weeks prior to bid opening as well as in the local newspaper. The advertisement must also be posted on a Town bulletin board at least 1 week prior.
- **DOCUMENT THE ALL COMPANIES THAT HAVE PICKED UP THE BID DOCUMENTS ON THE PROCUREMENT DATA FORM.**
- **HOLD THE BID OPENING AND AWARD THE CONTRACT.** The Chief Procurement Officer (CPO), or a department head who has been delegated by the Chief Procurement Officer (Delegate), must approve the form and award the contract. The contract is awarded to the lowest bidder who is responsive (offering the quality of supply or service needed) and responsible (demonstrates the ability, capacity and integrity to perform the contract.) **DO NOT ORDER** the goods or services until this step has been completed.
- **PREPARE A CONTRACT WITH TERMS AND CONDITIONS.** Written contracts are required for purchases over \$5,000. The CPO or Delegate must prepare 3 copies of a written contract signed by the vendor. Include all information from the purchase description (#2 above.) One copy is kept with the awarding department, one with the CPO and the last with the Town Accountant.