

### **DIVISION 3. DEPARTMENT OF FINANCIAL MANAGEMENT**

#### **Section. 2-61. Authorization of the Department of Financial Management:**

In conformity with Paragraph (a) of Section 5-1 of the Millbury Town Charter there shall be a Town of Millbury Department of Financial Management. The Town Manager shall supervise the Department of Financial Management, which shall encompass and include the responsibilities and activities of the Office of the Town Accountant, the Office of the Treasurer/Tax Collector, and the Office of The Board of Assessors. (Bylaws, Art.4, § 8, 11-12-1940, Art. 34, 5-3-2005)

#### **Section. 2-62. Appointment of a Finance Director**

The Town Manager in conformity with the provisions of Section 4-2 of the Millbury Town Charter shall appoint a Director of Municipal Finance, to be known as the Finance Director, for a term of no less than three years and up to five years, and who shall serve until her or his successor is qualified to assume the responsibilities of the office. The Finance Director shall be responsible to the Town Manager for the faithful and proper management of the affairs and responsibilities of the Department of Financial Management and shall serve ex-officio as the Town accountant in conformity with the requirements of Massachusetts General Laws, Chapter 41, Sections 55 through 61, et al. The Finance Director shall serve under the terms and conditions of an employment contract as authorized under the provisions of Massachusetts General Laws, Chapter 41, Section 108N, subject to the requirements of Paragraph (k) of Section 4-2 of the Millbury Town Charter, and may be removed from office for cause by the Town Manager, after a hearing. The Finance Director shall not hold any other office within the Department of Financial Management during her/his tenure. The Department of Financial Management, under the direction of the Finance Director, and supervision of the Town Manager, in conformity with all applicable laws, rules, regulations, and duly promulgated policies of the Board of Selectmen, shall be responsible for the following: (i) coordination of all financial services and activities of the Town of Millbury, (ii) maintenance of all accounting records and other financial statements, (iii) payment of all obligations, (iv) receipt of all funds due, (v) assistance to all town departments and offices in any matter related to financial affairs, (vi) monitoring of the expenditure of all funds, including periodic reporting to appropriate agencies and officials on the status of accounts, (vii) supervision of all purchases of goods, materials and supplies and maintenance of inventory controls, as authorized and delegated by the Town Manager, (viii) supervision of all data processing facilities of the Millbury Town Hall and other municipal departments, and , (ix) any other matter relating to municipal finance as may be determined necessary or desirable as from time to time may be authorized by state statute, municipal bylaw, or directive of the Town Manager. (Bylaws, Art.4, § 8, 11-12-1940, Art. 34, 5-3-2005)

**Section 2-63. Office of the Town Accountant:**

The Finance Director, acting as the statutory Town Accountant, shall, in addition to such matters as required by law, furnish in her/his annual report a balance sheet showing the assets and liabilities of the Town and an analysis of the expenditures under each appropriation, and a listing of the total amounts paid to each person and business organization. She/he shall furnish such statements and reports regarding financial transactions of the Town as the Town Manager may request, in a timely manner.

The Finance Director shall, in her/his annual report, in addition to such matters as required by law, furnish a balance sheet showing the assets and liabilities of the Town and an analysis of the expenditures under each appropriation and a listing of the total amounts paid to each person and business organization. She/he shall furnish such statements and reports regarding the financial transactions of the Town as the Town Manager may request. The Finance Director shall prepare a set of comprehensive quarterly financial reports in conformity with the standards of the Massachusetts Department of Revenue (DOR), the Governmental Accounting Standards Board (GASB), and generally accepted accounting standards to communicate the state of the town's financial activity. The format of the quarterly Financial Report shall be approved in advance by the Town Manager, after public consultation with the Board of Selectmen.

The quarterly Financial Report shall include, but not be limited to, the following components:

- Comparison of Budget and Actual – General Fund,
- Three Year Comparative Report – General Fund, Summarized by Category,
- General Fund Appropriation Detail Report,
- Schedule of Available Funds and Expenditures – Special Revenue & Enterprise Funds,  
and
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balances.

The Finance Director shall prepare and submit a Quarterly Financial Report within forty-five (45) calendar days of the end of each quarter of the fiscal year.

The Finance Director shall provide the monthly financial statements and reports required by the Town Manager and the Board of Selectmen for the prudent and orderly financial management of the town. Monthly and intermittent reports should contain the following information, in addition to any additional information required by the Town Manger:

- Revenues anticipated and received during the month compared with original expectations,
- Status of appropriations, allocations, and allotments during the period, department by department, with comments as to the prospects for the remainder of the year, and
- Pro-Forma forecast of fund and cash positions to the end of the fiscal year.

The Finance Director shall submit copies of all required statements and reports to the Town Manager, the Board of Selectmen and the Finance Committee.

(Bylaws, Art. 34, 5-3-2005)

**Section 2-64. Office of the Treasurer/Tax Collector:**

The Town Manager in conformity with the provisions of Section 4-2 of the Millbury Town Charter shall appoint a Treasurer/Tax Collector, as authorized under the provisions of Massachusetts General Laws, Chapter 41, Section 37 for a term of up to three years, and may be removed for cause by the Town Manager, upon the recommendation of the Finance Director, after a public hearing.

The Treasurer/Tax Collector shall, in addition to such matters as required by law, pay money from the Town treasury only by bank check and by authority of a warrant approved by the Finance Director and the Town Manager.

She/he shall furnish to the Town Manager such statements regarding Town funds as requested by the Town Manger; and shall prepare and submit to the Town Manager, for publication in the Annual Town Report, a statement of all the Treasurer's receipts and expenditures, of any balance on hand and a detail of the Town debt.

The depreciation and trust funds of the Town, unless otherwise specified in the General Laws, shall be deposited at interest by the Treasurer/Tax Collector, with the approval of the Finance Director, in one or more banking institutions under the supervision of the State Bank Commissioner or whose deposits are insured by a federal agency. These funds or portion thereof may be transferred by the Treasurer/Tax Collector with the approval of the Town Manager.

The Treasurer/Tax Collector shall reconcile on a monthly basis the financial records and accounts of the Office of the Treasurer/Tax Collector with the records and accounts of the Finance Director, acting as the ex-officio Town Accountant, and all banking institutions in which money and funds of the municipality are on deposit. The Treasurer/Tax Collector shall submit a written cash reconciliation report to the Town Manager on a quarterly basis for all accounts of the treasury.

The Treasurer/Tax Collector shall prepare a report, to be published in the annual town report of all the receipts and payments received by the Office of the Treasurer/Tax Collector, including, but not limited to a statement of the balances in all the accounts of the Town of Millbury; and a detailed statement of all town debt showing when each debt was issued, the amount due each year and the rate of interest charged. (Bylaws, Art. 4, § 5, 11-12-1940, Art. 34, 5-3-2005)

**Section 2-65 Office of the Board of Assessors:**

The Board of Assessors shall be elected in conformity with the requirements of Section 3-10 of the Millbury Town Charter. The Board of Assessors shall have all the powers and duties authorized by Massachusetts General Laws, Chapter 41, Sections 24 through 30B, Chapter 59, Sections 2 through 84, et al, provided that all full and part time assistant assessors and office assistants who are employees of the municipality shall be hired by the Town Manager in conformity with the requirements of Paragraph (k) of Section 4-2 of the Millbury Town Charter. The Board of Assessors shall have the power to employ counsel in conformity with the requirements of Massachusetts General Laws, Chapter 41, Section 26A, and may enter into contract for services necessary for the proper and timely discharge of the board's duties, subject to town meeting appropriation and the requirements of law and bylaw. The Board of Assessors shall annually make a fair cash valuation of all property, real and personal, subject to taxation within the town.

The Board of Assessors shall, in addition to such matters as required by law, provide the public by December 31<sup>st</sup> annually with a comprehensive report containing a complete and accurate list of all taxable real and personal property, property exempt from taxation, as well as all the statistics and available data used by the Board of Assessors in the assessment of real property value used in the establishment of a municipal real estate and personal property tax rate for the municipal fiscal year commencing on July 1<sup>st</sup> of the same calendar year. The report and related mapping information shall be made available to the public during the hours of operation of the Office of the Board of Assessors. The Board of Assessors shall file copies of the report with the Town Clerk and Board of Selectmen, and further, shall make it available to the public in printed or electronic format at the Office of the Assessors. (Bylaws, Art. 34, 5-3-2005)

**Section 2-66 Employees of the Department of Financial Management:**

All full and part time assistant treasurer/tax collectors, assistant treasurers, assistant tax collectors, assistant town accountants, assistant assessors and office assistants of the offices of the Department of Financial Management who are employees of the municipality shall be hired by the Town Manager in conformity with the requirements of Paragraph (k) of Section 4-2 of the Millbury Town Charter, subject to town meeting appropriation. The Town Manager shall not hire an employee of the Department of Financial Management prior to receiving the recommendation of the Finance Director. It shall be the responsibility of the Finance Director to consult with the Board of Assessors for a hiring within the office of the Board of Assessors, and with the Treasurer/Tax Collector for a hiring within the Office of the Treasurer/Tax Collector.

**Section 2-67 Financial Management Policies and Procedures:**

The Town Manager shall supervise the development of a comprehensive set of written financial management and fiscal policies for review and approval by the Board of Selectmen. The Finance Director, with the assistance of the staff of the Department of Financial Management, the Office of the Town Manager and the Finance Committee, shall be responsible for drafting and developing the following policies, for approval by the Town Manager, prior to review and approval by the Board of Selectmen, within eighteen (18) months from the final approval date of this section of the bylaw, and shall make annual recommendations by April 1<sup>st</sup> of each subsequent year relative to the need to revise and amend the following policies and the need to develop additional policies.

The following Financial Management Policies should be developed:

- Reserve Fund Transfer Approval Policy,
- Spending in Excess of Appropriation Policy,
- Procurement Policy
- Collection Policy,
- Investment Policy,
- Stabilization Fund(s) Policy,
- Free Cash Policy,
- Cash Management Policy,
- Cash Reconciliation Policy,
- Financial Accounting and Reporting Policy,
- Audit Policy
- Gift Account Policy, and
- Revolving Fund Policy.

The following Financial Planning Policies should be developed:

- Tax Rate and Tax Levy Growth Policy,
- Debt Policy,
- Use of Free Cash Policy
- Use of Stabilization Fund Management Policy,

- Capital Improvement Program Planning Policy,
- Use Fee Revenue and Rate Setting Policy,
- Acceptance of Gift Policy,
- Sewer System Capital Improvement Policy,
- Sewer Betterment Fee Policy, and
- Annual Budget Preparation Policy.

The Town Manager shall supervise the development of a comprehensive set of written financial management procedures, standard operating guidelines and job descriptions for the Department of Financial Management that shall govern the daily, monthly, quarterly and annual activities and responsibilities of each of the three statutory financial management offices within the department. The Finance Director, with the assistance of the staff of the Department of Financial Management and the Office of the Town Manager, shall be responsible for drafting and developing the comprehensive set of written financial management procedures, standard operating guidelines and job descriptions for the Department of Financial Management.

(Bylaws, Art. 34, 5-3-2005)

**Section 2-68 Independent Audit:**

The records of the Department of Financial Management shall be audited by an independent agency or firm at least once annually.

The Board of Selectmen shall award contracts for and the terms and conditions thereof for independent audit services, after receiving the recommendation of the Town Manager, provided that no independent audit firm be awarded a contract for annual audit services which has served as independent fee audit for the Town of Millbury for six consecutive years, unless such firm has not served as independent fee audit for the Town of Millbury for three consecutive years, after the six year engagement with the town. (Bylaws, Art. 34, 5-3-2005)

**Sections. 2-69 to 2-88 Reserved**