YEAR-END APPROPRIATION TRANSFER POLICY

PURPOSE
To ensure that all departments have adequate funds available to complete each fiscal year without exceeding appropriated amounts. This policy sets guidelines for monitoring expenditures and requesting and making year-end transfers that may be required.

APPLICABILITY
Applicable to the Town Administrator and Town Accountant, as well as to all town officials and employees with spending authority (referred to here as “department heads”), this policy pertains to all aspects of managing the town’s finances and authorizing year-end transfers as may be needed.

POLICY
In accordance with state law, cities and towns may make year-end budget transfers in the last two months of the fiscal year, i.e., May and June, and the first 15 days of the new fiscal year. The amount of any appropriation available to be used as a financing source for another appropriation is the unspent and unencumbered balance, i.e., the amount after all potential liabilities to be charged to the appropriation are considered. The Town Accountant should determine this amount before any transfer from an appropriation is considered for approval. (See DLS IGR No. 17-13 for funds that are not available for such transfers.)

A. Monitoring Process

On the first business day of May of each year the Town Accountant shall send to each department head an expenditure report detailing expenditures made through April 30 of the current fiscal year. At that time the department heads shall be requested to review these reports to identify any accounts that may be in danger of exceeding their appropriation limits before the end of the fiscal year. The Town Accountant and Town Administrator shall also conduct this review for all account. Accounts so identified shall then be monitored by the department heads, Town Accountant, and Town Administrator so that actions are taken to, as much as possible, ensure that the accounts maintain a positive balance.

B. Year-End Appropriation Requests

Should it be determined that additional appropriations will be necessary for a department to complete operations during the current fiscal year, and a town meeting vote cannot be feasibly arranged in a timely manner, then the attached “Year-end transfer Form” will be completed by the requesting department, with the assistance of the Town Accountant and Town Administrator. The request should include an explanation of how the requested amount was calculated, how and where it will be spent, and assurance that the requested amount will be sufficient to complete the fiscal year.

C. Approval Process

The form will then be approved by The Town Accountant, the Town Administrator, a majority of the Board of Selectmen, and a majority of the Finance Committee. Should all approvals be obtained then
the Town Accountant will make the approved transfer. Noting that such transfers may only be made in the last two months of the fiscal year, i.e., May and June, and the first 15 days of the new fiscal year.

REFERENCES
MA General Law Chapter 44, Section 33B [M.G.L. c. 44, § 33B](#)
Division of Local Services (DLS) Informational Guideline release IGR No. 17-13 [IGR No. 17-13](#)

EFFECTIVE DATE
This policy was adopted on June 4, 2018
YEAR-END APPROPRIATION TRANSFERS
Town of Sandisfield, MA

The undersigned requests a transfer from:

Account Name: ___________________ Account number: ____________ Current Balance: __________

Name of appropriation to receive the transfer:

Account Name: ___________________ Account number: ____________ Current Balance: __________

Amount requested: ________________

Specific purpose of the transfer: During May and June, and the first 15 days of July of the new fiscal year, the Select Board, with the agreement of the Finance Committee, may transfer any amount from a departmental or other appropriation to any other appropriation.

The Amount requested to be transferred above for the following reason(s):

____________________________________________________________________________________
____________________________________________________________________________________

Date Requester Signature Requester Title

Date Town Accountant Signature

Town Administrator’s recommended action: ____________________________________________

Date Town Administrator Signature
Action of the BOARD OF SELECTMEN

An end-of-year transfer using this alternative procedure requires a majority vote of the select board and a majority vote of the finance committee.

Date of meeting: _______________    Vote tally: Yes _____   No _____   Abstained _____

Approved transfer amount: _____________

______________________________
Chair Signature

______________________________
Member Signature

______________________________
Member Signature

Action of the Finance Committee

Date of meeting: _______________    Vote tally: Yes _____   No _____   Abstained _____

Approved transfer amount: _____________

______________________________
Finance Committee Chair Signature

______________________________
______________________________
______________________________
______________________________