



# **TOWN OF WEST BOYLSTON BOARD OF SELECTMEN POLICY**

## **Policy on Spending in Excess of Appropriation**

### **Purpose:**

To provide a summary and interpretation of the statutory prohibition against spending in excess of appropriation. Department Heads often request Reserve Fund transfers after incurring liabilities which exceed the budget appropriation. Such requests must precede the liability. Incurring unfunded liabilities is illegal and punishable by both a fine and imprisonment as noted in Chapter 44, Section 62 of the Massachusetts General Laws.

An exception to this prohibition is the snow and ice account. Approval of both the Board of Selectmen and the Finance Committee is required to overspend the snow and ice removal account.

### **Policy:**

1. As noted in Chapter 44, Section 31 of the Massachusetts General Laws "No department financed by municipal revenue...shall incur a liability in excess of the appropriation made for the use of each department,...each item voted by the town meeting...being considered as a separate appropriation, except in cases of major disaster.
2. The Finance Committee, by approving a transfer into a designated account may increase the appropriation. Liabilities may then be incurred up to but not exceeding this new appropriation.
3. An exception to the prohibition of excess liabilities is Section 31D which permits the town to incur liability in excess of appropriations for snow and ice removal provided that such expenditures are approved by the Board of Selectmen and the Finance Committee and that the appropriation in the current fiscal year equaled or exceeded the prior year appropriation.
4. Requests to over-expend the snow and ice account will be made in writing to the Finance Committee by the Board of Selectmen. This request will note the meeting date and vote of approval by the Board and include justification for the over expenditure. The Finance Committee will provide a written confirmation (if so voted) to the Board of Selectmen.