



TOWN OF WEST BOYLSTON BOARD OF SELECTMEN POLICY

Policy on Reserve Fund Transfers

Purpose:

The purpose of this policy statement is to identify the criteria the Finance Committee will use to rule on requests for transfers from the Reserve Fund. The Reserve Fund is appropriated by the Town Meeting to provide a source of funds to address extraordinary or unforeseen situations. The guidelines for the Reserve Fund are contained in Chapter 40, Section 6 of the Massachusetts General Laws.

Policy:

1. The total Reserve Fund recommended appropriation for any fiscal year may not exceed five percent of the tax levy for the pending fiscal year.
2. No direct expenditures may be made from the Reserve Fund. Funds may only be transferred from the Reserve Fund to other operating accounts. A majority vote of the Finance Committee is required to approve such a transfer. For the purpose of this policy, this is defined as a majority of the committee members present at a posted, legal meeting of the Finance Committee.
3. Transfers may be requested to help fund emergency or unforeseen expenditures.
4. Reserve Fund transfers are intended to minimize the need for Special Town Meetings but are not intended to replace the Town Meeting. If a Town Meeting is held between the event prompting the transfer request and submission of the request, the committee will be justified in rejecting the request.
5. In order to approve a transfer request, the Finance Committee must be of the opinion that the request would be approved by a Town Meeting.
6. The receiving account must not have had its appropriation level explicitly set by the Town Meeting at a level below the budget recommendation. Such action by the Town Meeting will be deemed as an indication to limit the respective account.
7. The transfer request must be for a legal expenditure.
8. No transfer request will be approved after July 15th (fifteen days after the end of the fiscal year for which the transfer would be effective).
9. Transfer requests should be submitted at least one week prior to the Finance Committee meeting at which the request will be considered.

10. A representative of the requesting organization should plan to be present at the meeting to defend and explain the request.
11. Transfer requests should be submitted prior to the expenditure. Departments should not expend unappropriated funds anticipating approval of a Reserve Fund transfer.
12. The Finance Committee may require that the requesting department deplete other funds before the transfer request is considered.
13. Reserve Fund transfer requests must be submitted using the attached form. The request should include three copies of the request form as well as any supporting documentation (an explanation of the expense, estimate of the cost, evidence of an emergency or extraordinary nature). Identify the "Source of Funds" as the Finance Committee Reserve Fund. Complete all sections of the form.