

TOWN OF BEACON FALLS

FINANCIAL POLICY MANUAL



TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Table of Contents

I. INTRODUCTION	3
II. CHART OF ACCOUNTS	4
III. BUDGETING	6
IV. PROCUREMENT	11
V. ETHICS.....	18
VI. RISK MANAGEMENT	19
VII. REVENUES, COLLECTIONS AND GRANTS	21
VIII. CASH MANAGEMENT.....	22
IX. PETTY CASH.....	23
X. CASH DRAWERS	25
XI. CREDIT/PROCUREMENT CARDS	28
XII. CAPITAL ASSETS.....	34
XIII. DEBT MANAGEMENT.....	37
XIV. FUND BALANCE.....	41
XV. ACCOUNTING AND FINANCIAL REPORTING	44
XVI. ANNUAL AUDIT & OPEB ACTUARIAL REPORTS	45
XVII. FINANCIAL POLICY REVIEW.....	46
XVIII. REVISION HISTORY	47
XIX. ADDENDUMS	50

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

I. INTRODUCTION

The purpose of this Financial Policy Manual is to provide guidance regarding all financial matters. This Manual must be followed by all Town departments and boards/commissions/committees. The policies support the financial goals of the Town including proper control of Town assets, good budgeting and cash management practices, procurement stipulations, timely and accurate financial reporting, and ongoing financial stability.

Any violations of the financial policies of the Town are to be reported to the First Selectman, the Board of Finance and the Town's auditing firm.

If there are any questions surrounding the content of this Financial Policy Manual, an employee or volunteer should contact the Finance Department.

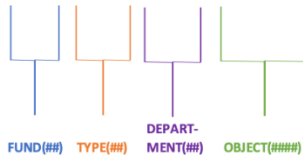
TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

II. CHART OF ACCOUNTS

The Finance Department is responsible for creating and maintaining the Town's Chart of Accounts. Any changes or modifications to the chart must be approved by the Finance Manager. Outlined below is the current Chart of Account Structure implemented within the financial accounting software.

Example:

10.90.03.1440



FUND #	FUND NAME	TYPE #	TYPE	Dept. #	Department Name	Object #	Object Description
10	GENERAL	90	Expense	1	FIRST SELECTMAN		*Please see annual budget for selection of item/service
12	POLICE PRIVATE DUTY	80	Revenue	3	TOWN HALL		
14	DEBT SERVICE			5	TOWN CLERK		
15	CAPITAL/BONDED PROJ'S			7	TAX COLLECTOR		
20	DOG			9	TREASURER		
25	SMALL CITIES			11	BUILDING INSPECTOR		
30	FLAG			13	EMPLOYEE BENEFITS		
35	OS PRESERVATION			15	BOARD of ASSESSORS		
40	SPECIAL ACTIVITIES			17	BOARD of ASSESSMENT APPEALS		
45	CAPITAL NON-RECURRING			18	ZONING BOARD OF APPEALS		
50	TOWN CLERK			19	BOARD of FINANCE		
55	MELBOURNE TRUST			20	FINANCE DEPARTMENT		
60	SEWER			21	ECONOMIC DEVELOPMENT COMM.		
65	LIBRARY			23	INLANDS WETLANDS COMMISSION		
70	UNBUDGETED GRANTS			24	CONSERVATION COMMISSION		
				25	PLANNING & ZONING COMMISSION		
				27	WATER POLLUTION CONTROL AUTH.		
				29	REGISTRARS of VOTERS		
				33	PROFESSIONAL FEES		
				37	INSURANCE		
				39	AGENCY MEMBERSHIP		
				41	MISC. BOARDS & COMMISSIONS		
				44	FIRE AND EMS SERVICES		
				45	FIRE MARSHAL		
				47	EMERG. MGMT./HOMELAND SECURITY		
				48	SAFETY COMMITTEE		
				49	WATER HYDRANTS		
				53	POLICE		
				55	ANIMAL CONTROL		
				57	PUBLIC SAFETY OTHER EXPENSES		
				59	PUBLIC WORKS		
				61	TOWN GARAGE		
				63	COMMUNITY WELFARE		
				65	REFUSE		
				67	WASTEWATER TREATMENT		
				69	LIBRARY		
				71	PARKS & RECREATION		
				74	COMMUNITY MEDIA CENTER		
				75	COMMISSION FOR ELDERLY		
				77	MINIBUS OPERATIONS		
				79	SENIOR CITIZENS CENTER		

Account Number:

A 10-digit account number is used in the financial accounting software for most Town transactions. The account number consists of four segments separated by decimals/periods: 2-digit fund, two-digit transaction type, 2-digit department, and 4-digit object code.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Fund Number:

Each fund has its own individual code. A fund number must be assigned first before any transaction can be entered into the financial accounting software. Please see below for the current list of fund numbers.

Transaction Number:

Each type of transaction has its own individual code. The two that pertain to departments/volunteer groups are Revenue and Expense. The Finance Department is typically the only department using other types such as assets and liabilities.

Department/Volunteer Group Number:

These numbers represent the individual departments used to identify the different town services. Please see below for the current list of department and volunteer committee/commission/board numbers.

Object:

This classification is used to describe the service or commodity obtained as a result of the specific expenditure.

Note – the Town of Beacon Falls is currently participating in the overall State of Connecticut mandated Uniform Chart of Accounts (UCOA) multi-year project. This will ultimately provide consistency. The Town is also in the midst of purchasing a new financial accounting software. All these changes will result in a revised Town Chart of Accounts. The area that will see the majority of the revisions is the “Object”. This policy will be updated as appropriate.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

III. BUDGETING

The Annual Operating Budget identifies the services to be provided by the Town of Beacon Falls and how the services will be paid for. The Capital Budget allows the Town to assess the expected capital requirements of the departments in upcoming years and serves as an input into the overall multi-year financial plan.

The Board of Finance will provide a budget preparation schedule which outlines the timeline for preparation and approval of the annual operating and capital budget.

A. Annual Operating Budget

The annual operating budget is for the fiscal year of the Town which begins July 1 and ends June 30 and is comprised of revenue and expenditures.

Revenue

The revenue budget will be comprised of revenue estimates by major category including but not limited to the following: Taxes, Other Taxation, State Funding, Fees, Refunds, Investment Income, and Internal Transfers.

For each budgeted revenue item, the budget document will also show the prior year actual, current year budget and year to date expense for the current year (at a minimum). Other columns such as percent Year To Date (YTD) used or percent change may also be incorporated. Lastly, a narrative “Notes” section shall be provided, which provides an explanation of the changes from the prior year to the current year.

Expenditures

The expenditures budget will contain the following:

- a) Expenditure estimates by department/commission/committee and account number;
- b) Proposed staffing levels by department;
- c) Region 16 (school) total proposed/approved budget. This will depend on the time of year the processes begin/end.
- d) Debt service.

For each budgeted expenditure item, the budget document will also show the prior year actual, current year budget and year to date expense for the current year. Other columns such as percent Year To Date (YTD) used or percent change may also be incorporated. Lastly, a narrative “Notes” section shall be provided, which provides an explanation of the changes from the prior year to the current year.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

The expenditure budget for each Town department is to be prepared by department heads (with input from the members of the department) and submitted to the First Selectman and the Board of Finance. After approval by the Board of Selectmen the Selectmen present their budget requests to the Board of Finance.

The Town may annually appropriate a contingency fund to provide for unanticipated expenditures. The amount of the contingency fund will not exceed three (3%) percent of the total town expenditures for the fiscal year (not including the Region 16 (school) budget, which is embedded within the total).

Multi-year financial plan – the Town will have a financial planning process that assesses long-term financial implications of current and proposed policies, programs and assumptions that develop appropriate strategies to achieve its goals and anticipate future needs. Revenue and expenditure forecasting provides the following:

- An understanding of available funding;
- Evaluation of financial risk;
- Assesses the likelihood that services can be sustained;
- Identifies future commitments and resource demands;
- Identifies the key variables that may change in the level of revenue.

Currently, this is done informally while constructing the annual operating budget and it involves looking at prior years for patterns and projects any long-term operating demands. The Town will begin preparing to develop a printed multi-year operating financial plan in the coming years. By FY 2025, the Town plans to have a multi-year operating budget established for the General Fund.

By FY 2024, the Town plans to create annual budgets for all special funds.

General Fund and Special Funds Earmarking

Within the General Fund, there are special purpose revenue lines that offset corresponding expenditures. While not explicitly stated, certain state, federal or local revenue supports the intended purpose. Examples of these instances include (but are not limited to):

- Town Aid Road funds – used for public works road maintenance expenditures
- Land use/building permit fee revenue – used for land use/building expenditures
- Ambulance corps reimbursement – used for EMS related expenditures (*see below for more details*)
- Fire Marshal fee revenue – used for Fire Marshal related expenditures
- Police revenue lines – used for Police related expenditures
- Minibus ride fares – used for minibus related expenditures

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

- Environmental nip fee revenue – this tax was recently assessed and its revenue needs to be used for clean-up efforts in town as a result of improper disposal

Generally, the above revenue gets deposited into the General Fund and is earmarked for the special purpose and offsets the above expenditures. Sometimes it is appropriate to create a Special Revenue fund if the project or purchase extends multiple years. In this definition, a “fund” does not necessarily translate into a separate bank account. An example of this occurring is when the Town established the Police Private Duty Fund, which is the revenue received from companies performing work in Town that hire police officers to mitigate traffic. This revenue is dedicated to funding only police related capital projects (vehicles, equipment, buildings, etc.).

There is an annual agreement between the Town of Beacon Falls and Beacon Hose Co. No. 1 concerning the EMS revenue account, which holds the funds received for the payment of ambulance transport invoices administered through BHC’s third-party billing company. This account first pays the wages/stipends to EMS employees as well as other EMS related payables and then BHC has historically administered 80% of the balance above \$50,000 back to the Town in the General Fund to support EMS expenditures. At the end of the fiscal year, the ending balance is documented. All invoices, payroll or pay per call relating to that year, including checks are evaluated to determine if they cleared. Any payments outstanding are deducted from the ending balance on December 31st. Beginning with CY23, BHC and the Town agreed that 100% of the surplus revenue above \$50,000 from the EMS account be dedicated to the Vehicle Replacement Fund with an earmark to current and future ambulance replacement. In FY24 and beyond, this removes the General Fund revenue line for EMS surplus funds.

B. Annual Capital Budget

Capital budget requests will be prepared as part of the annual budget process. Each department may submit a list of proposed capital projects to the First Selectman. The projects recommended by the First Selectman require the review and approval of the Board of Finance.

The annual capital budget will be part of a larger five-year Capital Improvement Plan, which will include the projected life of existing assets and proposed capital expenditures by department and project. The budget should include an evaluation of the current condition of capital assets that is updated annually. The Finance Department will create a condition checklist form for department heads to use as a part of the next manual revision. At a minimum, each Department must plan five years in advance and submit this updated five-year CIP as support to their annual capital requests each year.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Only items on the CIP may be requested for replacement. Capital items requested not on the CIP should only be considered as a new investment by the town and assessed accordingly as an expansion of current capabilities.

All assets that are within 10 years of anticipated replacement will be costed for planning purposes. This will be done separately from the annual capital budget in a 10-Year Capital Plan maintained by the Finance Department. The Finance Department will utilize the department's five-year CIP as a base to create said 10-Year Plan and communicate with departments as-needed for years five through ten. The Finance Department will present an exhaustive 10-Year Plan to the BOS and BOF for review.

C. Format

The Town of Beacon Falls creates two annual budget documents: Budget Detail and Budget Narrative. The Budget Detail includes a line-item level operating revenue and expenditure budget as well as line-item capital budget. Also included is the mill rate calculation. The Budget Narrative is a qualitative complement to the Budget Detail and includes items such as (but not limited to): budget workshop schedule, stakeholders, process, organizational chart, list of departments' and boards/committees/commissions responsibilities, funds, statistics and performance measures, grants, and visual summaries of operating revenue and operating/capital expenditures.

D. Budget Transfers

The Finance Manager, Board of Finance and Board of Selectmen are responsible for monitoring the budget. The Department Heads are responsible for making budget transfers within sub-function (e.g., transferring funds between one budget line to another budget line within a single department) called a Budget Transfer. Budget transfer requests must be made in writing using the Budget Transfer Request Form (Addendum A) and sent to the Finance Department for review and discussion. The Finance Department will present the transfer request in the next meeting packets for the BOS and BOF. From time to time, the Finance Department may make these budget transfers on behalf of the department (typically the end of the fiscal year). Any request to transfer funds outside a department's budget, transfer from or to a salary line or for amounts up to \$19,999 must be approved by the Board of Finance and Board of Selectmen at their regular meeting (or a special meeting) prior to the transfer. All transfer requests exceeding \$20,000 must be approved by voters at a Town Meeting.

E. Governance

This Financial Policy Manual and the Board of Finance By-Laws primarily govern the responsibilities of the Board of Finance. Title 7 of the Connecticut General Statute entitled "Municipalities" (https://www.cga.ct.gov/current/pub/title_07.htm), generally governs all municipalities in the state, absent a municipal charter, ordinance, or policy. Chapter 106 within Title 7 specifically governs Town Boards of Finance, which is detailed in the BOF By-Laws. The policies contained within this Manual govern the

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

actions of the Board of Selectman and Board of Finance and are generally consistent with the applicable chapters in Title 7. In the few instances where inconsistencies exist, this Manual supersedes Title 7.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

IV. PROCUREMENT

The Town's procurement process is designed to promote the maximum value and economy while maintaining efficiency and ease of running day to day operations and to eliminate bias in the selection of vendors.

Expenditures will be controlled by the annual budget at the budget line-item level.

Department heads have authority to expend funds within a budgeted line item for the purpose the item was budgeted for at their discretion. Department heads are expected to source goods and services from the vendor who provides the highest quality at a competitive price. This involves comparing pricing by unit on the goods/services between at least two providers (if not more). Department heads may consider cost, timeliness of delivery, past performance, and recommendations from peers. They will, at all times, consider the best interests of the Town in all their decisions. Department heads are encouraged to consult with the Finance Manager and/or First Selectman for clarification of the purpose of a budgeted line. If the purchase of a good/service does not fit within the purpose of the line, the Finance Manager will advise the department head on how to move forward.

Purchases of goods and services with an annual value of under \$1,000 may be made without the issuance of Purchase Orders (PO). Purchases of utility services and personnel costs are excluded from the requirement to issue POs. In all other cases, a duly authorized PO is required **BEFORE** a commitment is made to a vendor. A requisition is entered in the accounting system by the Department, which then becomes a PO once fully executed. Requisitions should be accompanied by any cost research documentation acquired to arrive at the good/service identified and the associated amount. Requisitions must be completed by the requesting department – if there are missing fields, a Requisition will be returned to the requesting Department. A member of any department with accounting system access can fill out a PO and sign it as the “Requestor”, however, it then must be signed by the department head as the “Approver”. If a Department head is the individual completing the PO, the department head can be both the “Requestor” and the “Approver” OR the Finance Department can act as the “Approver”. When possible, the Department head should have another department member be the Requestor. Requisitions entered by the Department will be electronically delivered in the accounting system to the Finance Department for confirmation that sufficient funds are available within a budget line, proper procurement methods have been utilized and enough detail has been supplied. After this step, the Requisition will be forwarded to the First Selectman for approval and then it officially becomes a PO. Therefore, in total, there are three different electronic signatures on a PO. At this point, now the PO has been entered into the accounting system to encumber the line item.

There are circumstances where a consultant or a volunteer/semi-volunteer group (i.e., commission, committee, or board) is responsible for executing a Requisition. The consultant or commission/committee/board member will work with the applicable staff or

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Finance Department to complete said Requisition as the “Requestor”. In the instance of a consultant, the Finance Department or the First Selectman will act as the “Approver”. In the instance of a commission/committee/board member, the Chair should sign as the “Approver” whenever possible. If impossible, the Finance Department or First Selectman will act as the “Approver”.

All Requisitions will be submitted with any required attachments as appropriate. A current (within two years) signed W-9 must be submitted or previously on file as well as a current (within one year) signed Certification of Insurance (COI) if a service is being supplied on-site. Please see the Risk Management section for more information on suggested insurance limits by industry. Cost research or a quotation must accompany the Requisition as well. If a license or a performance/payment bond is required for the service, a copy of that should also be supplied.

Any expenditure, regardless of value, that is projected to cause a line item to exceed its budgeted amount must be submitted by the department head in writing (memorandum or e-mail) to the First Selectman for review and approval/denial. A department’s spending per line item may not exceed the total budgeted expenditures without first obtaining the approval of the Board of Selectmen and the Board of Finance. It is the responsibility of the First Selectman to obtain permission from the Board of Finance and deliver that approval to the Finance Department.

Any budget expense lines which are anticipated to go over budget by \$20,000 or more must be approved at a Town Meeting prior to committing the Town to the expenditure.

Beacon Falls is a member of the following cooperatives and consortiums: Capital Region Purchasing Council (CRPC), Sourcewell, National Purchasing Partners (NPP), and Houston Galveston. These cooperatives/consortiums list of contracts should be checked first to determine if the required product/service is offered. This is because such goods or services have already been competitively procured and the Town may purchase underneath them without additional quotations or bids. These cooperative/consortium contracts lists can be accessed online. The State contracts list should be referenced as well for the required product/service. State contracts can be accessed online through the State “BizNet” Department of Administrative Services (DAS) site, now known as CT Source. The Finance Department will upload and maintain the links to all these resources in the Employee Intranet within the Town website.

In some instances, the Town may be able to “piggyback” off another Connecticut town’s current (competitively bid) contract. This method should be utilized if no State contract or cooperative/consortium contract currently exists for the specified good or service, there are unforeseen delays and/or there is an emergent need. Written permission must be obtained from the appropriate contact at the town the Beacon Falls department wishes to piggyback.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

If the Town utilizes a cooperative/consortium/state contract or pursues piggybacking, a Statement of Work (SOW) is highly encouraged. The Finance Manager will work with the procuring department to draft said SOW. SOWs cannot veer from the original contract unless negotiate with the awarded vendor.

For all purchases in excess of \$10,000 but less than \$20,000, three quotes from vendors are required. When contracts are available from the State or the consortiums/cooperatives for goods or services, such goods or services may be purchased without additional quotations or bids. Department Heads must consult with the Finance Manager and First Selectman prior to selecting the vendor. The First Selectman will have final approval of all awards for projects in this range. For all purchases exceeding \$20,000, the Town should either place a statement in its bid asking the respondent to describe any recycled materials that they use in their business or request this information from any state or consortium contract provider selected.

When the procuring department is uncertain whether the project cost will exceed \$20,000, they should contact the Finance Department and confer. Typically, the recommendation is to complete industry research online, confer with other CT towns, or seek assistance from the professional organizations where the Town holds membership. The project cannot be modified so that it falls underneath the \$20,000 threshold. The procuring department can request vendor(s) to assess/quote the cost, however, the procuring department must make the vendor aware up-front that the service/product will need to be competitively bid at some date in the future.

For projects expected to exceed a total cost of \$20,000, formal written bids (Request For Proposals (RFPs), Request For Qualifications (RFQs), Invitation To Bid (ITBs), etc.) based on written specifications are required. The written specifications will be developed by the procuring department in conjunction with the Finance Manager. The Finance Manager will organize the procurement process with the input from the procuring department. The procuring department is responsible for initiating the process and supplying the Finance Manager with any data needed. The sealed bids will be received digitally at a date and time specified in the bid in the Town's e-procurement portal named Bonfire. The Town hereby self-certifies that its procurement system is valid and complies with national standards but recognizes this does not limit any local, state, or federal entity's right to survey the system. The procuring department will be required to fill the role as "Editor" in Bonfire during the drafting process and then the "Reviewer" role during the bid process for any pre-bid meeting(s), question and answer time-period and reviewing and grading the submissions in conjunction with the Finance Manager. The First Selectman fills the role as "Advisor" and is the final approver of the bid award, following the presentation of the proposed award at a Board of Selectman meeting (when practical). The following services/goods (over \$20,000) are exceptions to the bidding rule:

1. professional, consulting and specialty services; *

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

2. specialty items, including without limitation those where only one reasonable or qualified source can be identified (sole-source);
3. emergencies; **
4. where the price of the goods or services are federally or state regulated;
5. non-competitive categories may be excepted from the above bid procedures if favorable to the Town and approved by the Board of Selectmen and the Board of Finance.

** Professional, consulting and specialty services include but are not limited to attorneys, actuaries, engineers, computer and software services, real estate appraisers and repair services where the nature of the repair cannot be defined in advance by bid specifications and the professional expertise of the service provider is more important than the lowest cost.*

***Emergencies are defined as situations requiring the purchase of goods or services which, if not purchased or ordered immediately, can result in injuries or damage to property, inefficient use of personnel or cause disruption in town operations. This includes all goods or services needed on an emergency basis to comply with federal, state, or local public health, safety or housing codes and emergency repair of Town-owned property, buildings, infrastructure, equipment, and vehicles. The Chairperson of the Board of Finance will be notified of an emergency expenditure at the earliest possible time after the incident. Emergency expenses still require a Purchase Order, which is to be executed as soon as possible following the occurrence of the emergency.*

While the aforementioned exceptions are noted above in Items 1 through 5, this does not preclude the Town from soliciting quotations and/or bids if it feels the product/service should be competitively procured. It is the Town's discretion.

Departments who require services/products under \$20,000 may also use the Bonfire system if desired for Request for Quotations (RFQ) and Requests for Information (RFI) for a more formal process. Or departments may utilize a more informal communication process if desired. ***Purchases may not be split to avoid these threshold requirements (\$1,000, \$10,000 and/or \$20,000) unless specifically authorized by the Board of Finance in advance of the expenditure.***

After a bid has been advertised and awarded and the project begins, the procuring Department head is responsible for managing the project. This includes (but is not limited to) staying in communication with the vendor/contractor to ensure they are adhering to specifications, meeting milestones/timelines, and monitoring costs. Any cost-plus requests/change orders that may arise must be submitted immediately by the vendor/contractor and provided to the Finance Department for a funding determination. It is preferred that contactors halt work and receive approval prior to pursuing change-order related work whenever possible. If impractical or emergent, the contactor can proceed with work but notify the Town simultaneously and submit a formal change order within one week of the change-order related work occurring.

At no point in any vendor research, should a Town employee or volunteer promise the purchase of the good or service to any vendor before the process is complete nor should the employee/volunteer share any internal date/process information in regard to an upcoming competitive process.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

All departments and volunteer group members should follow the “Purchasing Ethics” when procuring a service/product:

- Strive to obtain the maximum value for each dollar of expenditure.
- Grant all competitive suppliers equal consideration as far as state or federal statute and institutional policy permit.
- Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
- Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
- Receive consent of original or of proprietary ideas and designs before using them for competitive purchasing purposes.
- Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third-party review, as far as the established policies of my institution permit.
- Foster fair, ethical and legal trade practices.
- Decline personal gifts/gratuities in accordance with the Ethics Ordinance.

The Town takes a “best value” approach. The lowest, responsible, qualified bidder will be awarded the bid unless it is decided that it is not in the best interests of the Town. The Town may consider the cost, quality, timeliness of delivery, skill, ability, experience, financial responsibility, terms, and other conditions required by the purchase in assigning the winning bid. If, at the sole discretion of the Town, none of the bids are considered to be in the best interests of the Town, the request for bids may be withdrawn or reissued.

Sole Source

If the item/service that the Town needs to procure has only one reasonable or qualified source can be identified (is sole-source), the procuring department needs to submit a sole-source letter from the vendor/contractor OR provide sufficient research to prove that the item/service is not provided in a similar or identical fashion by another vendor/contractor. The Town must negotiate profit for sole-source procurements because there is no price competition. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor’s investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Time & Material

The Town encourages Department heads to avoid using “time and material” type contracts when possible. Time and material contracts are defined as those contracts whose cost to the Town is the sum of: (i) The actual cost of materials; and (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit. Since this formula generates an open-ended price, a time-and materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor

TOWN OF BEACON FALLS

FINANCIAL POLICY MANUAL

exceeds at its own risk. Further, the Town must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Local Preference

In Connecticut, the law provides an in-state preference for local goods and services, but only when all other factors are equal.

In Beacon Falls, the definition of local includes within town limits and may include the surrounding area and/or county. The local vendor may be selected at the discretion of the Board of Selectmen. Generally, if the local vendor is higher than a non-local vendor but is within a reasonable percentage of the low bid (as determined by the Board of Selectmen), the Town may select the local vendor if it can provide the goods or services in accordance with the Town's requirements and the Board of Selectmen determines the selection is in the best interest of the Town.

Indebtedness

The Finance Department will examine the Tax Collector's Suspense Listing and the Police Department's Private Duty Accounts Receivable (regardless of the total amount of the product/service) before awarding work to any contractor (regardless of contract value) to determine if they are indebted to the Town. If indebted to the Town, said debts must be satisfied before awarding the work. If they cannot be satisfied, the Town has the right to select another contractor.

Bonding & Retainage

The Town's bonding requirements change depending upon the complexity, dollar value and timeline of each bid project. As a rule of thumb, the Town typically requires a 5% bid bond, a 100% performance bond, and/or a 100% payment bond. The "bid guarantee" (5% of the bid price) must consist of a firm commitment such as a bid bond or certified check. The performance bond is executed in connection with the contract to secure fulfillment of all the contractor's obligations under such contract. Retainage can be used in lieu of performance bonds if the Town feels it is in its best interest. Bonding requirements can be waived so long as the Town is not violating any state or federal requirement based on the funding source for the item/service being procured. More detailed language surrounding the parameters of the bonds can be located in the Town's bid documents.

Affirmative Action & Equal Opportunity

The Town hires vendors/contractors who adhere to municipal, state, and federal Affirmative Action (AA) and Equal Employment Opportunity (EEO) practices and requirements. When applicable, contractors must comply with the Small Contractors Set-Aside Program and the hiring goals identified by the State Commission on Human Rights and Opportunities (CHRO). The Town's bid documents discuss these topics in more

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

detail. The Town currently does NOT have any set-aside goals of its own, but does encourage the hiring of MBEs/DBEs/ WBEs/SBEs/VBEs/LGBTBE's by specifically inviting these groups to apply to the opportunity in all its bid documents (for projects over \$20,000). In addition to inviting these groups within the legal advertisement, the Town also attempts to cast a wide digitally. The Town posts its opportunities on its e-procurement platform named Bonfire and in the State's CT Source portal. Both of these online procurement mechanisms utilize "commodity codes" that vendors/contractors are able to register to receive notices by commodity code. The Finance Manager selects the appropriate commodity codes for the project when posting the advertisement so that the opportunity gets shared with as many potential respondents as possible. A portion of these vendors/contractors that register to receive notices via these commodity codes are MBEs/DBEs/ WBEs/SBEs/VBEs/LGBTBE's. As necessary, the Finance Manager will contact the Small Business Administration and the Minority Business Development Agency of the Department of Commerce for support and will refer to Appendix II Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards" in the CFR.

The Town has the following goal: to create set-aside percentage goals for MBEs/DBEs/ WBEs/SBEs/VBEs/LGBTBE's by FY26.

Record Keeping

The Finance Department shall maintain all documentation related to procurement (small purchasing and competitive bids). Finance will maintain these records (specifications, solicitations, supporting documentation, grading reports, etc.) in a digital format (Bonfire and otherwise) and shall make them available upon the request of any local, state, federal, or pass-through agencies.

See the Capital Asset section regarding procurement of capital assets.

From November 2022 through January 2023, the Town of Beacon Falls evaluated its procurement policies against the Federal Uniform Guidance Procurement Standards (CFR 200.318 – 326) and determined that most of the federal language dictating certain procurement rules can be found within the Town's Financial Policy Manual and/or its Invitation To Bid (ITB)/Request For Proposals (RFP) language. The Town has modified and/or added much of the federal language in this February 2023 update (Revision #12) but it will continue to evaluate its language through the end of FY23 to ensure compliance and consistency. Federal procurement standards must be followed if projects are federally funded, similar to how state procurement standards must be followed if projects are state funded. The Town has attempted to ensure its procurement policies adhere to both state and federal standards. *If the Town of Beacon Falls' procurement policies in any way contradict federal or state standards, the state/federal standards prevail for a state/federally funded project.*

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

V. ETHICS

Please refer to the Ordinance Creating a Board and Code of Ethics (effective January 6, 2006), which outlines prohibited activities such as town officials not accepting gifts over \$50.00 and town officials and their immediate family being prevented from entering into a contract with the Town at or above \$100. A requirement for a written disclosure of interest is detailed. Please see the ordinance attached hereto as Addendum B for additional details. Please see Chapter IV Procurement for other ethics guidelines when communicating with vendors.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

VI. RISK MANAGEMENT

The Town will manage its risk and limit risk exposure in a professional and prudent manner.

The Town will protect and preserve Town assets against losses that could deplete its resources or impair the ability to provide services to its citizens.

The Town will administer town property as-needed for employees or volunteers to complete their duties/tasks. This can include (but is not limited to) laptops, headphones, cellphones, keys, etc. These are expected to be returned upon separation. Employees/volunteers shall completed an Acknowledgement of Receipt of Town Property form (Addendum K), acknowledging that if the item(s) are not returned or are returned damaged, the employee/volunteer shall be responsible for replacing them at their expense at an agreed upon replacement cost.

The Town will reduce its exposure to liability through employee training, emphasis on safety and insuring against loss.

The Town will manage its exposure to risk through the purchase of insurance in the following areas:

- General liability;
- Vehicle liability;
- Public officials' errors and omissions;
- Property loss and workers' compensation;
- Cyber;
- Crime.

Insurance Claim Procedure: In the event that a town vehicle, equipment, property, and/or employee or volunteer is involved in an incident where injury, property damage, or other loss occurs, the Town Department Head or Commission/Committee/Board Chair is responsible for reporting this incident within five (5) business days of the loss. For workers compensation (i.e., injury) claims, the town staff or volunteer involved should make the Department Head or Chair aware and work with he/she to communicate this information to the Town's HR firm, who will file the claim with the insurance company on the employee or volunteer's behalf. For automobile, equipment, property, or other liability related incidents, the Town Department Head or commission/board/committee Chair shall communicate the loss immediately to the Finance Department. All incidents must be reported within five (5) business days. The Finance Department will then work with the applicable staff or volunteer(s) to file the claim with the Town's insurance provider. For all liability incidents, the employee/volunteer involved is responsible for taking photos and a writing a summary of the incident. The summary should include the date, time, location, equipment/vehicle/property involved, the employee(s)/volunteer(s)

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

involved, and a description of what occurred. For liability incidents that involve a vehicle, the employee/volunteer involved must request police response and a corresponding police report be created.

Insurance coverages will be reviewed on an annual basis in conjunction with the Town's insurance broker to ensure coverages are adequate and costs consistent with prevailing market rates.

The Town will control its exposure to risk by requiring all contractors which provide a service to the Town to carry liability insurance. A certificate of insurance will be obtained from all contractors designating the Town of Beacon Falls as an additional insured. The certificates will be obtained by the department head making the purchase. The certificates will be kept permanently on file and reviewed annually to ensure they are unexpired.

The Town is registered in GatherGuard via its current insurance provider (CIRMA). This is insurance that residents/visitors can utilize who hold events on town property.

Please see Addendum C for the Town's current insurance carrier's recommended insurance coverage limits based on industry when requesting a Certificate of Insurance (COI) for any service procured. Addendum C also contains information on the GatherGuard program.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

VII. REVENUES, COLLECTIONS AND GRANTS

The Town collects revenue, primarily in the form of property taxes, to provide services and meet operational needs. The structure, fluctuation and collection of revenues are examined by rating agencies to determine the Town's credit rating.

The Town will monitor all taxes to ensure they are equitably administered, and collections are timely and accurate. The Tax Collector will use all statutory authority to collect property taxes, interest, costs, and penalties.

The Tax Assessor will assess all property annually as of October 1. Real property assessments will be based on fair market value and follow standards established by the International Association of Assessing Officers. Personal property assessments will be based on percentages of original cost which reasonably reflect approximate market value.

On a monthly basis, the Finance Manager will provide a report to the Board of Finance of year-to-date revenues which clearly states the amounts and percent of total taxes billed by category and by year. In addition, on an annual basis, the Tax Collector will present to the Board of Finance, a list of uncollectible accounts (the "Suspense List") for approval.

The Finance Department is responsible for all grants management with input as-needed from applicable employees and/or volunteers. The grants cycle typically includes the grant application (narrative, budget, and supporting documentation), procurement of items/services, spending/accounting for grant purchases, scope amendment requests, periodic performance/fiscal reporting to grantor, and final grant closeout report. At no point should an employee or volunteer submit a grant application to an agency/organization without first making the Finance Department aware and/or gaining permission, especially if a cash match must be budgeted.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

VIII. CASH MANAGEMENT

Cash management is the practice of safeguarding cash and maximizing the income earned on liquid assets while maintaining low risk.

All incoming payments will be deposited weekly at a minimum. The Town uses a remote deposit scanner service through its bank and highly encourages at least two deposits per week.

All disbursement checks will be signed by the Town Treasurer and a majority of the Board of Selectmen as required by Connecticut General Statute 7-81 and 7-83. Therefore, at least three signatures are required on each disbursement check, two of which must be live signatures.

ACH

Wherever possible, the Town shall use the Automated Clearing House (ACH) method of payment; especially for regular monthly bills such as utilities. An ACH coordinates electronic payments/money transfers. An ACH may be initiated from the Town's bank or the specific vendor's payment portal. The Finance Clerk will initiate ACHs disbursements on the applicable department's behalf (as required) to pay bills and will generate a Batch for the Treasurer and a majority of the Board of Selectmen to review and approve. This batch will be scheduled at least three days in the future to give the Treasurer and the majority of the BOS the opportunity to review/approve. If there are any issues with any proposed ACHs, the Treasurer and/or the majority of the BOS shall notify the Finance Department immediately so that they can be cancelled. The current financial accounting software names this report the "Prepaid Voucher Journal". All signers will sign at the bottom of this batch document to signify their approval of the batch, rather than each ACH individually.

All Town bank accounts will be reconciled by the Finance Clerk and reviewed, signed, and dated by the Finance Manager. Any differences or unusual reconciling items will be brought to the attention of the First Selectman and the Board of Finance.

The Town Treasurer will invest all available funds of the Town based on three criteria, in order of importance – safety, liquidity and yield. The Town Treasurer will maintain a written Investment Policy approved by the Board of Finance. The Investment Policy will identify appropriate types of investment vehicles and address diversification, liquidity, maturity, and risk of default and investment return. The Treasurer must carefully evaluate the creditworthiness of depositories and credit insurers. At a minimum, an annual review of banking services will be undertaken by the Treasurer to ensure that services are provided at reasonable costs. Quarterly meetings with the Town's bank(s) are encouraged. Treasurer's reports will be presented to the Board of Finance for their review.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

IX. PETTY CASH

Purpose

The purpose of this Petty Cash policy is to establish guidelines for the appropriate creation, use, and accountability of such drawers. These procedures have been established to encourage effective administration and internal control of cash handling operations throughout the Town of Beacon Falls.

Summary

Petty cash funds are established to enable departments to make small purchases where a purchase order is not required, and a town credit/procurement card cannot be used. The amount of the petty cash fund is established at the time the fund is approved. Expenditures may not be used to circumvent current purchasing procedures. Any employee who is required to utilize petty cash is required to appropriately safeguard, account for, and document all cash maintained on behalf of the Town. The cash should be maintained in a secure locked device. The keys and/or passwords to these locked devices should be maintained in a hidden location.

The responsible employee within the department who is the primary handler of the petty cash will be named the Department Petty Cash Custodian. There may be more than one Department Petty Cash Custodian in smaller offices due to staffing levels and/or schedules, but this should be minimized whenever possible. The Town Petty Cash Custodian is the Finance Administrative Assistant. The Finance Manager reviews the Town Petty Cash Custodian's work.

Petty Cash Guidelines:

- Petty cash funds are used for expenditures of \$500 or less made by a Town employee or volunteer board/commission/committee member. Petty cash funds are also used for the reimbursement of expenditures made by a Town employee or volunteer board/commission/committee member with their own personal funds.
- Adequate receipts and documentation must be maintained to support all transactions made from each petty cash fund.
- A petty cash fund or Department Petty Cash Custodian may be revoked at the discretion of the Finance Manager.
- The amount of the petty cash fund may be reduced/increased at the discretion of the Finance Manager.
- All Petty Cash custodians (or designees) must follow the Petty Cash Procedures (outlined below).

Petty Cash Procedures:

1. The Petty Cash Reimbursement Request (Addendum D) should act as a permission slip. It should be completed and submitted BEFORE the purchase is made. In the event that this cannot occur, the requestor shall complete and submit the form (as outlined below) as soon as possible.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

2. The requester shall complete the Petty Cash Reimbursement Request (Addendum D), making sure to complete the following fields: pay to, date, prepared by, and department/division. Describe the purchase/expenditure in the description/explanation area and enter the total amount requested for reimbursement. A receipt for the expenditure must be attached to this form. The form must be signed and dated by the requestor and approved by the requestor's supervisor (if available) with his/her signature and the date.
3. The requestor then submits the form to the Town Petty Cash Custodian for reimbursement.
4. The Town Petty Cash Custodian reviews the Petty Cash Reimbursement Request form (Addendum D) and the receipt(s) and confirms the total amount requested on the form. The custodian dates and initials the form, then issues the cash payment to the requestor. The Petty Cash Reimbursement Request form and the attached receipts are kept in the petty cash fund file. Exhibit A is attached to this policy in PDF format for reference, however, the Excel version must be utilized in practice.
5. Any employee making a cash purchase should ensure tax exemption by using their Town ID and the CERT-134 form for the Town of Beacon Falls.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

X. CASH DRAWERS

Purpose

The purpose of this Cash Drawers policy is to establish guidelines for the appropriate creation, use, and accountability of such drawers. These procedures have been established to encourage effective administration and internal control of cash handling operations throughout the Town of Beacon Falls.

Summary

Cash drawers are established to enable departments to make change for customers and receive cash payments. Expenditures may not be used to circumvent current purchasing procedures. The amount of the cash drawer is established at the time it is approved. Expenditures may not be used to circumvent current purchasing procedures. Any employee who is required to utilize the cash drawer is required to appropriately safeguard, account for, and document all cash maintained on behalf of the Town. The cash should be maintained in a secure locked device. The keys and/or passwords to these locked devices should be maintained in a hidden location.

The responsible employee within the department who is the primary handler of the cash drawer will be named the Cash Drawer Custodian. There may be more than one Cash Drawer Custodian in smaller offices due to staffing levels and/or schedules, but this should be minimized whenever possible.

Cash Drawer Guidelines:

- Cash Drawer funds are used for making change for customer transactions and cash receipts related to customer transactions.
- Adequate receipts and documentation must be maintained to support all transactions made from each Cash Drawer fund.
- A Cash Drawer and/or Cash Drawer Custodian may be revoked at the discretion of the Finance Manager.
- The amount of the Cash Drawer fund may be reduced/increased at the discretion of the Finance Manager.
- All Cash Drawer custodians (or designees) must follow the Cash Drawer Procedures. The Tax Collection Department follows a separate set of Safeguards (outlined below).

Department Cash Drawer Locations and Associated Limits:

Established Cash Drawers	Fund Limit
Town Clerk	\$125.00
Land Use Department	\$150.00
Library	\$50.00
Tax Collection/Assessor Department	\$400.00 (\$200 each drawer)

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Public Works Department (Transfer Station); seasonally April-October	\$100.00
Senior Center	\$300.00

Establishing Cash Drawer Funds:

Departments wishing to establish a new cash drawer fund shall contact the Finance Manager.

Closing/Removing a Cash Drawer:

If it is determined that an existing cash drawer fund is no longer needed, the Town Petty Cash Custodian must close the fund. The remaining cash and all receipts (and any other supporting documentation) should be taken to the Finance Department for deposit along with the appropriate account number.

Cash Drawer Procedures:

1. Department Cash Drawer Custodians of cash drawers shall issue a receipt to the customer for all transactions.
2. The Department Cash Drawer Custodian shall complete the Cash Drawer Reconciliation Form (Addendum E) for a period of one month and attach copies of all receipts issued and submit to the Finance Department.
3. On a weekly basis (at a minimum), the Cash Drawer custodian counts the currency and coins in the petty cash fund, sums the receipts in the drawer. Daily counting is HIGHLY encouraged. Best practices are to count the cash and coin at the beginning of the workday and then once again at the close of the workday. The combined dollar value of the currency, coins and the receipts must equal the cash drawer total assigned to the custodian. The custodian then completes a Cash Drawer Reconciliation Form (Addendum E) and a check request to reimburse the petty cash fund for the amount of the outstanding receipts. Exhibit B is attached to this policy in PDF format for reference, however, the Excel version must be utilized in practice. A formal reconciliation form is not required daily, however, if a discrepancy is found from one day to another, it must be reported as outlined in Item 5 below.
4. If a discrepancy exists between the "Total Cash on Hand" and the "Valid Cash Balance", then the Department Cash Drawer Custodian needs to inform his/her supervisor (if available) who then contacts the Finance Department. If no supervisor, the Department Cash Drawer Custodian contacts the Finance Department directly.

It is the responsibility of the Town Petty Cash Custodian to determine the frequency for reimbursing the departmental cash drawer funds to ensure that sufficient currency and coin are on hand to reimburse employees for expenditures or making change for patrons.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Overages and Shortages:

Both overages and shortages should be noted and tracked by the Cash Drawer Custodian and then reviewed and certified by a department supervisor (if available). Significant amounts should be immediately reported to the department supervisor (if available) and the Finance Manager. If there appears to be a growing pattern or anything unusual or strange about the overages and shortages, that information must be disclosed immediately.

Tax Collection Department Safeguards:

1. The Tax Collector's office is closed to the public and only accessible to certain staff members via access code. Cash drawers are maintained by the Cash Drawer Custodians in the office throughout the day. Unused cash drawers must remain in the safe during the day. Only staff members from the Tax Collector and Assessor's offices (and the First Selectman's Office Administrator) have the combination to the safe.
2. Each morning, the Cash Drawer Custodians shall complete and sign the Tax Collector's Cash Drawer Balancing Form (Addendum E-TC). The drawer count will be verified and signed by the Tax Collector and/or the other Cash Drawer Custodian.
3. Cash Drawer Custodians shall issue a receipt to customers for all cash transactions. Both the bill and the customer's receipt should contain the following information- the date, amount received, amount of change given, and the word "cash."
4. All active cash drawers should be secured in the safe during lunches and breaks.
5. At the close of the workday, Cash Drawer Custodians shall separate their daily cash deposits and perform a second count to ensure the drawer is balanced. A second Tax Collector's Cash Drawer Balancing Form (Addendum E-TC) will be completed and signed. The drawer count will be verified and signed by the Tax Collector and/or the other Cash Drawer Custodian.
6. If the drawer does not balance to \$200.00, the Department Cash Drawer Custodian must inform his/her supervisor (if available) who then contacts the Finance Department.
7. At the end of the workday, both drawers will be locked in the safe in the Tax Collector's office. Cash deposits are documented via bank deposit slips and placed in the vault until the Tax Collector is ready to take the deposit to the bank.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

XI. CREDIT/PROCUREMENT CARDS

Introduction

Employees shall read, understand, and comply with all provisions of this Credit/Procurement Card Policy. This policy cannot anticipate every circumstance that employees and/or the town may encounter in the use of their credit/procurement card. As such, the Town reserves the right to amend this policy as appropriate.

Code of Conduct

The Code of Conduct for the Town of Beacon Falls credit/procurement card program is designed to provide a set of guidelines to follow regarding the use of the credit/procurement card.

1. Use of credit/procurement card shall not replace the standard invoicing and payment procedures employed by the Town of Beacon Falls. Instead, the credit/procurement card shall be used for expenditures when (1) a vendor accepts that form of payment and the invoice is approved by the appropriate department head; (2) a staff member is at a conference/convention/training on authorized expenditures; (3) the payment of certain invoices only upon receipt (vendor will not take a check); and (4), for the other special payments approved by the First Selectman.
2. Credit/procurement card purchases should be made so that the town gains the maximum value and quality for each purchase.
3. Whenever possible, credit/procurement card purchases shall not include tax charges because the Town is tax exempt. Tax exempt paperwork can be retrieved from the Finance Department to supply to the vendor(s). If tax is charged, employees must notify the Finance Department and seek a credit for the tax amount as soon as possible.
4. Employees shall not accept gifts or other items of value offered by vendors.
5. The First Selectman and Finance Manager shall select employees to receive a credit/procurement card and shall set spending and/or other limits on each card.
6. Prior to the issuance of a credit/procurement card, an employee must sign the Credit/Procurement Card Agreement (attached).
7. Only authorized purchases may be made with the credit/procurement card, and any personal purchases are strictly prohibited. Disciplinary action shall be taken against any employee who uses a credit/procurement card for personal use or other benefit.
8. The credit/procurement card is the property of Town of Beacon Falls. An employee may use the credit/procurement card when traveling on business on behalf of the town; otherwise, the credit/procurement card shall be retained in the employee's purse, billfold, or other secure location.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

9. Only the employee to whom a credit/procurement card is issued is authorized to use said credit/procurement card. Delegating the use of the credit/procurement card to another employee is prohibited unless a signed agreement is provided in order to do business on the cardholder's behalf.
10. If a disagreement occurs with a vendor, the employee shall immediately notify his or her immediate supervisor.
11. All purchases using the credit/procurement card must be properly documented. Invoice, charge receipt and itemized receipt (if applicable) are required at minimum. Any altered or forged documentation is prohibited.
12. The purchase of products, services, or commodities on the prohibited purchases list in this policy is prohibited. If any employee is not sure if a purchase is valid under the credit/procurement card program, he or she must immediately consult with the First Selectman.
13. Employees shall adhere to all dollar value purchase limits imposed, and any splitting of the transactions to avoid said limits is prohibited.

Employee Setup & Activation

Overview

The First Selectman, Finance Manager and Finance Clerk shall be responsible for the implementation, maintenance, program compliance, auditing, processing payment, issuance of the credit/procurement card, and bank relations to solve customer service issues. Only Town of Beacon Falls employees can participate in the credit/procurement card program. Below is the current list of employees with credit/procurement cards and their associated limits:

- (a) **First Selectman:** Purchases are limited to a maximum of \$1,000 per statement
- (b) **Finance Manager:** Purchases are limited to a maximum of \$10,000 per statement; this is the card that is mainly used for all Administration and Public works related purchases
- (c) **Road Foreman/Public Works Director:** Purchases are limited to a maximum of \$2,500 per statement
- (d) **Wastewater Treatment Plant Supervisor:** Purchases are limited to a maximum of \$2,500 per statement
- (e) **First Selectman Administrative Assistant/Secretary:** Purchases are limited to a maximum of \$500 per statement
- (f) **Fire Chief (Beacon Hose Co. No. 1):** Purchases are limited to a maximum of \$2,500 per statement
- (g) **Police Department Administrative Assistant:** Purchases are limited to a maximum of \$1,000 per statement
- (h) **Library Director:** Purchases are limited to a maximum of \$2,500 per statement

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

- (i) **Program Librarian:** Purchases are limited to a maximum of \$1,500 per statement
- (j) **Assistant Librarian:** Purchases are limited to a maximum of \$1,000 per statement
- (k) **Parks and Recreation Director:** Purchases are limited to a maximum of \$1,000 per statement
- (l) **Senior Center Director/Minibus Driver:** Purchases are limited to \$500 per statement
- (m) **Tax Collector:** Purchases are limited to a maximum of \$1,000 per statement
- (n) **Assessor:** Purchases are limited to a maximum of \$1,000 per statement
- (o) **Registrar of Voters:** Purchases are limited to a maximum of \$500 per statement
- (p) **Land Use:** Purchases are limited to a maximum of \$500 per statement
- (q) **Town Clerk:** Purchases are limited to a maximum of \$1,000 per statement
- (r) **Fire Marshal:** Purchases are limited to a maximum of \$500 per statement

Total Town credit/procurement card limit (sum of A through R) = \$31,000

The Finance Clerk has the responsibility to review, reconcile and submit the monthly account statements with the appropriate receipts and signatures for processing and payment. The Finance Manager reviews the Finance Clerk's work and authorizes the payment of the statement via Automated Clearing House (ACH). JP Morgan makes an automatic withdrawal from our account, so we will have to see how this works.

Employees must adhere to all policies outlined herein, any failure to comply may result in the employee's suspension from the credit/procurement card program and/or disciplinary actions that may include termination of employment. The credit/procurement card issued to the employee is the property of the Town of Beacon Falls, and the town may cancel an employee's credit/procurement card at any time and without notice. Periodic audits may be performed to ensure the employee follows the policies and procedures.

A new participant eligible to participate in the credit/procurement card program must obtain the appropriate authorizations and provide his/her information to the Finance Manager. Once authorized by the First Selectman, the Finance Manager shall submit the application to the bank and the account shall be established. Prior to the issuance of a credit/procurement card an employee must sign the Credit/procurement card Agreement.

Purchasing Guidelines & Limits

Overview

The Town of Beacon Falls allows only General Fund related purchases to be made using the credit/procurement card. Special/restricted funds related purchases are prohibited. All purchases must be made in compliance with town purchasing policies, the guidelines set

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

forth in this policy, and State Law. Any violation will result in disciplinary action that may include termination of employment. Only the authorized employee may use the credit/procurement card and no authority is permitted or conferred to the employee for the delegation of the credit/procurement card use. Each employee may be designated a credit limit for monthly purchases, daily purchase credit limit, single purchase credit limit or other use restriction at the discretion of the First Selectman. Intentional circumvention of these limits is strictly prohibited. This includes splitting a transaction amount with the same vendor or multiple vendors for purchases that would otherwise exceed the employee's limits. The Town of Beacon Falls may perform periodic audits electronically and manually to verify adherences to this policy.

Allowable Purchases

Allowable purchases are those items as included in the adopted town budget, subject to any purchase limit imposed on the account. An employee shall not purchase any item not included in the adopted town budget, and an employee shall not purchase any item over the purchase limit imposed on the account, unless first obtaining the written approval of the First Selectman. Food, non-alcoholic beverages, travel, and room/board purchases for employment related trips such as conferences, conventions, training, etc. are permissible.

Prohibited Purchases

Prohibited purchases include, but are not limited to, the following items:

- Items not included in the adopted town budget;
- Special/restricted funds related purchases
- Cash advances, wire transfers or money orders;
- Personal purchases;
- Alcohol purchases;
- Donations;
- Parking tickets, fines, and penalties; and,
- Purchases required to be bid pursuant to State Law.

If an employee is unsure whether a certain purchase is prohibited by this policy, the employee shall consult with the First Selectman prior to making said purchase.

Tax should not be included on any purchase because the Town is tax exempt. Please retrieve the tax-exempt paperwork from the Finance Department to supply to the vendor(s).

Recordkeeping & Reconciliation

Overview

The employee is responsible for maintaining adequate receipts for goods and services purchased with the credit/procurement card. The employee must contact the vendor directly to resolve any discrepancies or incomplete orders. Any incorrect charges,

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

duplicate transactions or missing credits must be addressed directly between the employee and the vendor.

Report of Expenditures

No later than seven (7) calendar days after purchase, the employee shall submit to the Finance Manager an invoice, charge receipt, itemized receipt (if applicable) and any other satisfactory documentation evidencing the purchase (i.e., e-mail chains, etc.). If the purchases made require the approval of the employee's supervisor and/or the First Selectman, these signatures/stamps shall be provided on the invoice in advance of the purchase and then submitted to the Finance Clerk. **If a purchase is over \$1,000 and therefore requires a Purchase Order (PO), the PO should be approved before the credit/procurement card is charged.** In the event of an emergency (such as a snowstorm etc.), verbal approval shall be allowed provided an invoice and receipt is supplied within three (3) calendar days.

The Finance Manager and Finance Clerk shall determine if the documentation is satisfactory, and the employee shall furnish additional documentation as may be required. An employee may be required to reimburse the town for any prohibited expenditure or for any expenditure which the employee does not supply adequate documentation.

Missing Receipts

If the employee is missing receipts, the employee must submit written documentation of the pertinent transaction information to his or her supervisor and to the Finance Clerk within seven (7) calendar days of the purchase. The Finance Manager and Finance Clerk shall determine if the documentation is satisfactory; the employee shall furnish additional documentation if required. An employee does not supply adequate documentation. If required, the reimbursement must be received within seven (7) calendar days of the purchase.

Disputed Transactions

At times there may arise disputed transactions due to non-delivery of the goods or services, incorrect billing, altered charges, defective merchandise or like circumstances. When this occurs, the employee shall promptly notify the Finance Clerk, and the employee shall immediately submit to the Finance Clerk a detailed reason for the disputed transaction, and this shall be in writing and signed by the employee.

Account Maintenance

Terms of the employee's participation in the credit/procurement card program are subject to change at the discretion of the First Selectman. In addition, employees must report any change of information pertinent to their participation in the credit/procurement card program to the First Selectman and Finance Manager in writing and within three (3) calendar days of said change. Upon an employee termination, the credit/procurement card must be returned to the Town and the Finance Manager will cancel and destroy said card.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Audits

All employee accounts are subject to periodic audits to ensure compliance with the Town policies. The First Selectman may review daily, monthly, and annual transaction activity reports as deemed necessary to ensure adherence to the credit/procurement card policies. If an audit reveals a policy violation, this information will be provided to the employee. If the employee does not provide the information requires to reconcile the violation, the First Selectman may consider appropriate disciplinary action.

Lost or Stolen Cards

If a card is lost or stolen, the employee must immediately make the Finance Manager aware.

Security Precautions

When not traveling on Town business, the credit/procurement card shall be retained in a secure location such as a billfold or purse. A canceled credit/procurement card shall be destroyed by being cut-up into several pieces prior to disposal. When presenting a credit/procurement card for purchase, an employee shall provide a driver's license, Town photo identification (if available), or other photo identification to identify the authorized user of the credit/procurement card. The Town ID is highly suggested as it may also make tax exemption an easier process. Employees shall sign the back of the credit/procurement card and write "Request Photo ID" next to this signature so to prompt the vendor to check the employee's identification. Employees shall not provide their credit/procurement card account number, or any other credit/procurement card account number in the program, to unsolicited marketing calls.

Violations

Violations of the Code of Conduct and the credit/procurement card program policies include, but are not limited to, the following:

- Special/restricted funds related purchases.
- Intentional splitting of transactions to circumvent credit limits.
- Consistent delinquencies in submitting monthly reports and proper receipts.
- Personal use of the credit/procurement card.
- Allowing an unauthorized user to use the credit/procurement card.
- Purchase of prohibited products, service, or merchandise.
- Failure to pay inadvertent personal charges on the credit/procurement card.
- Fraudulent transactions with a vendor.
- Violations of town policies and/or State purchasing laws.

The credit/procurement card acknowledgement form is provided attached hereto as Addendum F.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

XII. CAPITAL ASSETS

The Town's assets are primarily in the form of infrastructure, such as land, roads and bridges, and buildings and machinery/equipment. Sound infrastructure is an important aspect of the quality of life, economic development, and the credit quality of the Town. Committing to and implementing a capital improvement program protects its capital assets and minimizes future maintenance and replacement costs.

From an audit perspective, capital assets are defined as those with a useful life greater than two years, a cost of more than \$5,000, and that are not purchased on an annual basis. HOWEVER, the Town tracks all assets, regardless of value, if they have a useful of greater than two years for inventory and maintenance purposes.

There are typically five types of capital assets (detailed below):

Machinery & Equipment (M&E)

Moveable Equipment is not permanently affixed to or part of a building. Some moveable equipment consists of more than one component (e.g., a computer, keyboard, mouse, and monitor). The assembled components may be considered one item and be recorded as a single capital asset. Fixed Equipment is permanently affixed to a building but is separate from the building itself. Examples of fixed equipment are light fixtures, wall to wall carpeting, water fountains, fire control apparatus, fume hoods, auditorium and fixed classroom seats, and built-in display cabinets. The M&E category also includes vehicles and apparatus.

Building & Improvements

Roofed structures used for the permanent or temporary shelter of persons, animals, plants, or equipment. Improvements made to existing buildings. Any renovation or alteration to an existing building that adds useful space to the structure or extends the facility's useful life will be considered a capital asset. Conversely, improvements that do not add useful space to the structure or extend the facility's useful life will be considered maintenance and repair.

Land

Solid part of the earth's surface whether improved or unimproved.

Infrastructure

Generally included in this category are roads (paved/gravel/dirt), bridges, guiderails, walking paths, parking lots, fencing, piping, monuments, lights, courts, and poles.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Capital Asset Funding

Beacon Falls capital assets typically consist of Non-Recurring funded projects and Bond funded projects. Non-recurring projects are items which are unusual and periodic – for example, a major repair, or replacement of an existing asset that has reached its end of life. Bonded Projects are major improvements which the Town has elected to finance through the issuance of long-term debt, defined as debt which has a maturity date of more than one year. The Town may, at its option, issue short term debt to temporarily finance Bonded Projects provided its intention is to issue long term bonds in the future. Such financing must conform to applicable state statutes.

Spending on capital projects is to be monitored by the department purchasing the items and the Finance Department. Any potential overspending must be brought to the attention of the Board of Selectmen and Board of Finance for appropriate action.

Upon completion of any capital project financed by long term debt, remaining appropriated funds in that project will be used to make additional principal bond payments. If approved by a Town Meeting, remaining project funds may be repurposed to other capital projects.

Depreciation

Capital assets purchased or donated to the Town will be recorded and depreciated with the straight-line method (full-month convention) according to GASB standards.

The Depreciable Useful Lives ranges are as follows (in years). These useful live ranges will be refined for FY24.

- Land: 50
- Buildings: 50
- Building Improvements/Small Structures: 10-50*
- Bridges: 20-30
- Fences: 10-20
- Sewers: 20-50
- Storm Drainage: 15-10
- Road Reconstruction: 15-20
- Road Rehabilitation: 10-15
- Sidewalks: 10-15
- Other Road Infrastructure (curbs, lights, guiderails, signs, etc.): 10-15
- Fire Apparatus: 20-25
- EMS/Police/Other Types of Vehicles: 7-20
- Small Equipment/Fixtures (mowers, benches, parks equipment, etc.): 7-30
- Machinery/Heavy Equipment (includes HVAC): 7-40
- Trailers: 10-20

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Medical Equipment: 5-15
Communications Equipment: 5-15
Office Equipment/Furniture: 5-10
Computer/IT/Electronic Equipment: 5-7

*Depends on the type of improvement

Responsibilities

The Town's Finance Manager will maintain a listing of all capital assets acquired through either purchase or donation and those capital assets disposed of in any given year.

Department heads are encouraged to use Federal, State or Local excess/surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. The new or used excess/surplus property should be evaluated for reliability and required repairs/maintenance to put it in use. Department heads are encouraged to do a cost benefit analysis when considering excess/surplus property with a focus on investments required over the remainder of the asset's useful life. Department heads are also encouraged to determine if regionalization or asset-sharing is a viable option when performing their research. This is done often when municipalities need the same asset but can coordinate a usage schedule; sharing is common in an official Memorandum of Understanding (MOU). Capital assets will be recorded at the historical cost or fair market value in the case of donations and also include an *expected end of life date* and *current cost to replace (for those assets within 5 years of estimated end of life)*, both of which should be reviewed by the Finance Manager for accuracy and completeness.

The Department heads are responsible for providing the Finance Department with a Capital Asset Addition Form (Addendum G) and all receipts associated with the purchase, which must include a unique identifier for the asset, such as a Vehicle Identification Number or serial number. This form must be submitted at least one week prior to the disposal. The Finance Manager is responsible for ensuring all necessary updates are made to the appropriate insurance vendors and for the submission and maintenance of all associated warranties provided by the manufacturer and/or 3rd party vendor.

Department Heads are responsible for gaining permission from the Finance Manager for any capital asset disposals prior to the disposal and provide the Finance Department with a Capital Asset Disposal Form (Addendum H). A disposal represents the physical removal of an asset whether it be a sale, trash, trade-in, theft, etc. In no circumstance may an asset be disposed of without prior approval. The disposal form must be submitted within one week of the disposal.

Department Heads are responsible for updating a maintenance log on all applicable capital assets every time repairs or preventive maintenance are completed. This applies to all types of assets. This log must be shared with the Finance Department at the end of every fiscal quarter (September 30th, December 31st, March 31st, and June 30th).

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

The listing of capital assets will be reviewed annually by each department head.

XIII. DEBT MANAGEMENT

Policy Purpose

The purpose of the Town's Debt Management Policy is to establish the conceptual framework, parameters, and guidance in making decisions on capital spending and the issuance and management of debt that funds said capital projects. This policy recognizes infrastructure and other capital needs of the Town as well as the taxpayer's ability to pay while taking into account existing legal, economic, financial and debt market considerations.

Policy Objective

Town debt will be issued for the purpose of funding capital projects as authorized and in compliance with State statutes, Town ordinances, and this Financial Policy Manual. The Town plans long and short-term issuances as necessary to finance its capital program based on cash flow needs, sources of revenue, capital construction periods, available financing instruments, and market conditions. The Town's Debt Management Plan (separate publication) is structured to layer debt issues for the ensuing 10 – 30 years based on approved projects and anticipated needs.

This policy establishes the standards regarding the timing and purpose for which debt may be issued, types/amounts of permissible debt, method of sale that may be used, and structural features that may be incorporated in the Town's Debt Management Plan. The standards constitute realistic goals that the Town can expect to meet, and will guide but not bind, debt management decisions. Advantages of a debt policy are as follows:

- Enhance the quality of decisions by imposing order and discipline and promoting consistency and continuity in decision making
- Rationalize the decision-making process
- Identify objectives for staff to implement
- Demonstrate a commitment to long-term financial planning

Policy

1. **Borrowing authority:** the Town shall have the power to incur indebtedness by resolution of the Board of Selectmen (and/or the Water Pollution Control Authority if a water/sewer project) and adopted at a Town Meeting vote.
2. **Types of permissible debt:** whenever possible, the Town will first attempt to fund capital projects with state and federal revenues or other grant revenues. The Town will attempt to use dedicated revenues from its various special revenue funds, Non-Recurring Capital fund, and/or unassigned (undesignated) fund balance to fund projects. If these are insufficient or impractical, the Town will use bond financing. General obligation bonds will be issued to

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

finance traditional public improvements and purchases. Revenue or limited obligation bonds may be used within statutory parameters to finance those special projects or programs which directly support the Town's long-term economic development, housing interests or those which service a limited constituency and are clearly self-supporting. An example of this type of debt is Tax Increment Financing (TIF). The Town may use short-term financing in the form of Bond Anticipation Notes (BANs). BANs may be used to provide interim cash flow, facilitate the timing of bond sales, finance less significant borrowing needs, avoid locking into high, long-term interest rates during periods of market turmoil or to finance projects whose final cost is uncertain or is expected to be mitigated by grants and/or investment earnings. BANs are not to be used to defer the operating budget impact of bonded debt service or to speculate on market rates. BANs will be retired either through cash reserves or through the issuance of long-term bonds in accordance with the Town's Debt Management Plan and as market conditions permit. Long-term capital leases or lease-purchase obligations may be used for vehicles, major equipment, copiers, computers, and other capital items when it is cost justifiable to do so.

3. **Purpose of debt:** the Town will continue to confine long-term borrowing to capital improvements or projects that cannot be financed with current revenues. The Town will not fund current operations from the proceeds of borrowed funds. Whenever appropriate, the beneficiaries of a project or service will pay for it. For example, if a project is a general function of the government that benefits the entire community, such as the town hall or library, the project will be paid for with general tax revenues or finances with general obligation bonds. Projects benefiting specific users, such as water and sewer facilities, may be issued as general obligation bonds by the Town, using its full faith and credit pledge. The revenues maybe derived from user fees or charges (if they exist) or targeted taxes and/or assessments may be used to offset the general obligation debt service.
4. **Refunding debt:** the Town will continually monitor its outstanding debt with its financial advisor in relation to existing conditions in the debt market and will refund any outstanding debt when sufficient cost savings can be realized. The target threshold for net present value savings should be a minimum of 2%.
5. **Interest rates:** the Town will attempt to issue debt that carries a fixed interest rate. However, it is recognized that certain circumstances may warrant the issuance of variable rate debt. In those instances, the Town should attempt to stabilize debt service payments through the use of an appropriate stabilization arrangement. The Town will plan and schedule bond sales to obtain a true interest cost at or below the bond yield averages for comparable debt.
6. **Credit rating:** the Town shall strive (if at all possible) to maintain a AA Standard & Poor's rating or a Aa2 Moody's rating. Therefore, the Town will do everything in its power to monitor the assessment categories for said

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

ratings closely (management practices, economy and demographics, financial performance, debt management, and long-term liabilities).

7. **Planning and structuring bond sales:** balanced consideration should be given to each of the following objectives:
 - a. Provide cash in advance to meet project expenses;
 - b. Retire debt in the shortest period of time which is fiscally prudent;
 - c. Finance projects for a period commensurate with the useful life of the asset;
 - d. Schedule new debt to coincide with the retirement of past debt to lessen the impact upon the mill rate;
 - e. Minimize the impact of debt service principal and interest payments on annual cash flow; and
 - f. Whenever possible, projects with an estimated cost of less than \$250,000 shall not be financed with long-term debt.
8. **Federal regulations:** the Town will
 - a. Adhere to the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission when issuing bonds and will provide to any nationally recognized municipal securities repository, or “NRMSIR”, annual financial information and operating data and timely notices of material events with respect to the bonds;
 - b. Comply and keep current with all Federal regulations for tax-exempt bonds; and
 - c. Comply with arbitrage regulations of the Internal Revenue Code of 1986 – Section 148.
9. **Debt structure:**
 - a. **Term:** all capital improvements financed through the issuance of debt will be for a period not to exceed the useful life of the improvements, but in no event shall exceed 20 years (30 years for sewer projects) in accordance with Connecticut General Statutes.
 - b. **Bank qualification:** whenever possible, the Town will issue \$10 million or less in tax-exempt bonds per calendar year to receive the “Bank Qualified” status on the issue to minimize interest rates paid for bonded projects.
 - c. **Small Issuer exemption:** whenever feasible, to qualify under the IRS arbitrage rebate exemption provision as a “Small Issuer”, the Town will not issue more than \$15 million in debt in any calendar year of which not more than \$5 million of the issue may be for non-school construction expenditures.
 - d. **Call provision:** the Town seeks to minimize the cost from optional redemption call provisions, consistent with its desire to obtain the lowest possible interest rates on its bonds.
 - e. **Threshold:** Debt service for bonds and notes paid each year shall not exceed 10% of the General Fund budget of the Town (including the Region 16 portion). Connecticut General Statute 7-374(b) limits the amount of indebtedness the Town may have outstanding to seven

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

times the total annual tax collections including interest and lien fees plus the reimbursement for revenue loss on tax relief programs with additional limitations depending on the purpose. The Town shall not exceed 50% of its statutory debt limitation.

- 10. Method of sale:** debt obligations are issued through competitive sale through the Town's financial advisor. Private and/or negotiated sales are not permitted. Capital leases and/or lease-purchase obligations the Town will also seek to solicit competitive pricing whenever practical.
- 11. Debt affordability:** the First Selectman, Finance Manager and Town's financial advisor will analyze the Town's debt position and the various indicators of municipal credit relative to credit industry standards and the Town's own financial ability. They will examine the following statistical measures to determine debt capacity and compare these ratios to other towns, rating agency standards, and the Town's historical ratios to determine debt affordability. The Debt Management Plan is the primary resource for this evaluation and will be updated as needed. In order to determine the Town's relative debt position, the Town will primarily use the ratio of annual debt service to the total general fund budget (including Region 16).
- 12. Debt Service Fund:** any balance of budgeted annual debt service appropriation not expended for actual bonded debt service, debt issuance, or debt administration costs, shall remain in the Debt Service Fund at the end of each fiscal year for future fiscal years' debt spending.
- 13. Debt Management Plan:** at a minimum, the Finance Department will present an updated Debt Management Plan annually to the Board of Selectmen and Board of Finance.
- 14. Secondary market disclosure practices:** with the assistance of its financial advisor, the Town will:
 - a. File its annual independent audited financial statement with the State Office of Policy and Management within six months of the end of the fiscal year.
 - b. Comply with SEC regulations to provide annual financial information and operating data and notices of material events with respect to bond issuances pursuant to Continuing Disclosure Agreements executed at the time of issuing bonds.
 - c. Comply with the Electronic Municipal Market Access (EMMA) reporting requirements.
 - d. Maintain frequent communications about its financial condition with the credit rating agencies.

The Town's overall debt structure, including overlapping debt (Region 16), should fall well within statutory limits and should decrease as rapidly as is financially feasible. Whenever possible, the Town will maintain debt at levels equal to or below the median debt ratios used by investors/underwriters and credit analysts. The Town will evaluate the

TOWN OF BEACON FALLS

FINANCIAL POLICY MANUAL

medians annually when published by the State of Connecticut Office of Policy and Management (OPM) and other recognized published medians.

XIV. FUND BALANCE

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the Town against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Town Finance Manager to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Per GASB No. 54, fund balance consists of five categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned (Undesignated):

- **Nonspendable fund balance** consists of funds that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.
- **Restricted fund balance** consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.
- **Committed fund balance** consists of funds that are set aside for a specific purpose by the town's highest level of decision-making authority (governing board). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.
- **Assigned fund balance** consists of funds that are set aside with the intent to be used for a specific purpose by the town's highest level of decision-making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned (undesignated) fund balance.
- **Unassigned (Undesignated) fund balance** consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

Nonspendable and Restricted Funds

Nonspendable funds are those funds that cannot be spent because they are either:

- 1) Not in spendable form (e.g. inventories and prepaids)
- 2) Legally or contractually required to be maintained intact

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

It is the responsibility of the Town Finance Manager to report all Nonspendable funds appropriately in the Town's Financial Statements.

Restricted funds are those funds that have constraints placed on their use either:

- 1) Externally by creditors, grantors, contributors, or laws or regulations or other governments
- 2) By law through constitutional provisions or enabling legislation.

It is the responsibility of the Town Finance Manager to report all Restricted funds appropriately in the Town's Financial Statements.

Authority to Commit Funds

The Town's Board of Selectmen with the approval of the Board of Finance have the authority to set aside up to \$19,999 in funds for a specific purpose and to commit revenue sources in special revenue funds. Amounts exceeding \$19,999 require the further approval of the Legislative body of the Town. Any funds or revenues set aside as Committed require the passage of a resolution by a simple majority vote. The passage of a resolution must take place prior to June 30th of the applicable fiscal year. If the actual amount of the commitment is not available by June 30th, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

Authority to Assign Funds

The responsibility to maintain proper and appropriate designation of Fund Balances is given to the Town Finance Manager.

The Town's Board of Selectmen with the approval of the Board of Finance have the authority to set aside up to \$19,999 in funds for a specific purpose and to commit revenue sources in special revenue funds. Amounts exceeding \$19,999 require the further approval of the Legislative body of the Town. Any funds or revenues set aside as Committed require the passage of a resolution by a simple majority vote. The same action is required to change or remove the assignment.

Classifying Fund Balance Amounts

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned (undesignated) funds are available for expenditure, committed funds should be spent first, assigned funds second, and

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

unassigned (undesignated) funds last, unless the Board of Selectmen with the approval of the Board of Finance have provided otherwise in its commitment or assignment actions.

Unassigned (Undesignated) Fund Balance

Unassigned (undesignated) fund balance is the residual amount of fund balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned fund balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue shortfalls.

Unassigned (undesignated) fund balance may be accessed in the event of unexpected expenditures up to the minimum established level upon approval of a budget revision by the Town's Board of Selectmen with the approval of the Board of Finance. In the event of projected revenue shortfalls, it is the responsibility of the Town Finance Manager to report the projections to the Town's Board of Selectmen and Board of Finance on a regular basis and shall be recorded in the minutes.

Any budget revision that will result in the Unassigned (undesignated) Fund Balance dropping below the minimum level will require the approval of 2/3 vote of the Town's Board of Selectmen with the approval of the Board of Finance for amounts less than \$20,000. Amounts exceeding \$20,000 require the further approval of a simple majority vote of the Legislative body of the Town.

The Fund Balance Policy establishes a minimum Unassigned (undesignated) Fund Balance equal to 12% of total General Fund expenditures. In the event that the balance drops below the established minimum level, the Town's Board of Selectmen and Board of Finance will develop a plan to replenish the fund balance to the established minimum level within two years.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

XV. ACCOUNTING AND FINANCIAL REPORTING

Timely and accurate accounting and financial reporting are critical for the Town to control spending and maintain financial stability.

The Town will comply with generally accepted governmental accounting principles in its accounting and financial reporting as codified by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB).

Monthly financial reports will be provided to all department heads to assist them in managing their respective budgets and to the First Selectman and the Board of Finance. The reports will summarize financial activity by department and account and compare actual revenues and expenditures with budgeted amounts. The First Selectman will identify significant variations from budget for consideration and appropriate action by the Board of Finance.

A system of internal accounting controls will be maintained to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions of the Town. The internal control system will be reported on annually by the Town's outside auditing firm. Cross-training will be done in all accounting functions.

All cash accounts will be reconciled monthly by the Finance Manager and all other balance sheet accounts reconciled at least quarterly.

The Finance Clerk will initiate all journal entries, deposits, payables, bank reconciliations, budget transfers, etc. The Finance Manager will review the Finance Clerk's work and bring any errors to his/her attention. The Finance Manager will sign and date all work.

Full disclosure will be provided in the Town's annual financial and budget reports and bond documents. All required financial reports and information will be provided as necessary to the Board of Finance and external agencies.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

XVI. ANNUAL AUDIT & OPEB ACTUARIAL REPORTS

An independent certified public accounting firm will be engaged to perform an annual audit of the financial statements prepared by the Finance Manager.

The auditing firm will be selected competitively through a formal, public RFP process. The Board of Finance is responsible for engaging the auditing firm. The annual audit must be completed prior to December 31st of each year and the audited financial report submitted to the State of Connecticut Office of Policy and Management by that date unless appropriate notification is given to the State.

The audit will include the preparation of Communication of Internal Control Related Matters. All comments in the Communication will be responded to by the First Selectman and the Finance Manager in writing and all deficiencies addressed prior to the end of the next fiscal year.

The Town is required to procure a full actuarial report on its Other Post-Employment Benefits (OPEB) every other year and a partial actuarial report every other year per GASB. Due to the number of current eligible participants (less than 100), the Town has the option to partake in the Alternative Measurement Method (AMM). The actuarial firm will be selected competitively through an informal or public RFQ process.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

XVII. FINANCIAL POLICY REVIEW

The Board of Finance will review and affirm by resolution the financial policies contained in this manual a minimum of once every two years. However, the Finance Department will present suggested revisions on an as-needed basis.

All employees and volunteers are required to review and sign in acknowledgement of receiving this manual (electronically within the Employee Intranet in the Town's website and/or via email). This form is provided as Addendum L.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

XVIII. REVISION HISTORY

Initial approval:	January 14, 2016
Revision 1:	July 10, 2016 – revised Fund Balance to conform with GASB 54
Revision 2:	March 13, 2017 – revision of bid requirements; addition of \$10,000 to \$20,000 tier requiring less stringent bidding process
Revision 3:	<p>June 9, 2020 – revision to all sections of manual. Highlights are below:</p> <ul style="list-style-type: none"> • Numerous formatting improvements • New section named “Chart of Accounts” • New section named “Ethics” • New section named “Petty Cash” • New section named “Cash Drawers” • New section named “Credit/Procurement Cards” • Numerous additions to existing sections (including but not limited to) <ul style="list-style-type: none"> ○ Added ACH policy to the Cash Management section ○ Added capital asset type definitions to the Capital Assets section ○ Added RFQ/RFP/ITB/RFI/SOW purchasing language, indebtedness resolution language, and ethics language to Procurement section ○ Added OPEB requirements under the Annual Audit section ○ Added new insurance information to Risk Management section ○ Clarified that the manual applies to both employees AND volunteers who get involved in fiscal tasks • Addendums (A-I) added with various required forms and additional guidelines
Revision 4:	September 15, 2020 – revision to Cash Drawers Chapter (Chapter X) and Addendum E-TC (corresponding form) for the Tax Collection Department
Revision 5:	<p>October 13, 2010:</p> <ul style="list-style-type: none"> • Chapter III - Budgeting: insertion of Connecticut General Statute language. • Chapter XI - Credit/Procurement Cards: addition of Park Ranger

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Revision 6:	<p>January 7, 2021:</p> <ul style="list-style-type: none"> • Chapter XI - Credit/Procurement Cards: increase Finance Manager limit from \$7k to \$10k • Chapter VI – Risk Management: section entitled “Insurance Claim Procedure” added
Revision 7:	<p>June 14 - September 14, 2021:</p> <ul style="list-style-type: none"> • Chapter III – Budgeting: added multi-year and special fund goals. • Chapter IV – Procurement: added local preference section. Added mention of CT Source. • Chapter V – Ethics: added mention of ethics language in procurement chapter. • Chapter VII – Cash Management: added mention of total signature quantity required and live signatures. • Chapter X – Cash Drawer: added Senior Center as a petty cash drawer holder. • Chapter XI – Credit/Procurement Cards: increased Program Librarian’s credit limit from \$500 to \$1000. • Chapter XII – Capital Assets: added mention of machinery and infrastructure categories; added maintenance tracking department head responsibility. • Chapter XIII – Debt Management: overhauled entire chapter; added purpose, objective, 14 sections to the policy. • Chapter XIV – Fund Balance: increased minimum % for undesignated • Addendum A – Budget Transfer Request Form: modified order of columns. • Addendum I – Acknowledgement Form: added mention of personnel file.
Revision 8:	<p>December 14, 2021</p> <ul style="list-style-type: none"> • New Addendum I: added for Post Issuance Compliance Policy. Addendum I becomes Addendum J and clarification added to language
Revision 9:	<p>March 15, 2022</p> <ul style="list-style-type: none"> • Chapter XI – Credit/Procurement Cards: removed Park Ranger and added Senior Center Director/Minibus Driver • Chapter VII – Revenue and Collections: added grants process language and re-named title • Addendums A, G & H: switched out for fillable forms.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

	<ul style="list-style-type: none"> Added Purchase Order revision request form as Addendum B and adjusted all addendum sequencing as appropriate
Revision 10:	<p>July 12, 2022</p> <ul style="list-style-type: none"> Chapter XI – Credit/Procurement Cards: added Tax Collector, Assessor, Registrar, and Land Use departments
Revision 11:	<p>September 13, 2022</p> <ul style="list-style-type: none"> Chapter IV – Procurement: updated the purchasing methods to match actual practice in the new digital software – Harris’s Spectrum Suite Dept PO module. Chapter IV – Added software as a professional service, which is exempt from competitive bidding
Revision 12:	<p>November 15, 2022-February 14, 2023</p> <ul style="list-style-type: none"> Chapter IV – Procurement: added language about sole-source parameters, AA/EEO, bonding, change-order parameters, recycled items, NPP consortium, recordkeeping, department head responsibilities Chapter VI – Risk Management: added language about town property Chapter XII – Capital Assets: added language about using surplus/excess items; added language about disposals and depreciable lives, department head responsibilities Chapter XIX – Addendums: added Addendum K (moved K to L) “Acknowledgement of Receipt of Town Property form”. Modified Addendum H and I to notate capital asset definition change.
Revision 13:	<p>May 9, 2023</p> <ul style="list-style-type: none"> Chapter XI – Credit/Procurement Cards: added Town Clerk, added Fire Marshal card, increased Tax and Assessor limits Chapter III – Budgeting: added language about earmarking special purpose funds Chapter VI – Risk Management & Chapter XIX – Addendums: Replaced TULIP with GatherGuard information
Revision 14:	<p>Chapter XI – Credit/Procurement Cards: increased three library limits</p>

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

XIX. ADDENDUMS

The following Addendums are attached to this Financial Policy Manual as though incorporated herein:

- Addendum A: Budget Transfer Request Form
- Addendum B: Purchase Order Revision Request Form
- Addendum C: Ethics Ordinance
- Addendum D: Certificate of Insurance/Risk + GatherGuard Guidelines
- Addendum E: Petty Cash Reimbursement Form
- Addendum F: Cash Drawer Reconciliation Form
 - Addendum F-TC Tax Collector's Cash Drawer Balancing Form
- Addendum G: Credit/Procurement Card Agreement
- Addendum H: Asset Addition Form
- Addendum I: Asset Disposal Form
- Addendum J: Post Issuance Compliance Policy
- Addendum K: Acknowledgement of Receipt of Town Property Form
- Addendum L: Financial Policy Manual Acknowledgement Form

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum A Town of Beacon Falls Budget Transfer Request Form

Date: _____

To: First Selectman & Board of Finance Chair

From: _____

The undersigned respectfully requests that the following budgetary transfers be approved for Fiscal Year _____.

	TRANSFER FROM	TRANSFER TO	AMOUNT OF TRANSFER
1.			
	<i>Account Name</i>	<i>Account Name</i>	
			\$
	<i>Account Number</i>	<i>Account Number</i>	
2.			
	<i>Account Name</i>	<i>Account Name</i>	
			\$
	<i>Account Number</i>	<i>Account Number</i>	
3.			
	<i>Account Name</i>	<i>Account Name</i>	
			\$
	<i>Account Number</i>	<i>Account Number</i>	

Brief Explanation of the Purpose of the Transfer:

1. _____
2. _____
3. _____

Requested by: _____

Department Head Signature & Date

Approved by: _____

First Selectman Signature & Date

Approved by: _____

Board of Finance Chair Signature & Date

Transfer Completed: _____

Finance Manager Signature & Date

Comments:

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum B Town of Beacon Falls Purchase Order Revision Request Form

Supplier Name Purchase Order #
Date: Department:

- ☐ Accounting Distribution Change
- ☐ Increase PO Amount
- ☐ Decrease PO Amount
- ☐ Cancel PO
- ☐ Liquidate Remaining Balance of PO

Change Accounting Distribution:

	Account Number	Account Name	Dollar Amount	Notes
<i>Original Request:</i>				
<i>Change To:</i>				

Increase (show amount of increase only)

Line item #	Qty	Unit \$	Extended \$
Total Amt.			
Total Encumbered After Increase			

Decrease (show amount of decrease only)

Line item #	Qty	Unit \$	Extended \$
Total Amt.			
Total Encumbered After Decrease			

Brief Explanation for the Revision to the PO:

Approved: <input type="text"/>	
<small>Department Head</small>	<small>Date</small>
Approved: <input type="text"/>	
<small>First Selectman</small>	<small>Date</small>
Approved & Revision Completed: <input type="text"/>	
<small>Finance Office</small>	<small>Date</small>

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum C Town of Beacon Falls Ethics Ordinance

AN ORDINANCE CREATING A BOARD AND CODE OF ETHICS

1.0 Declaration of Policy

1.1 The Town of Beacon Falls hereby adopts the provision of CT General Statutes, Section 7-148h, establishing an Ethics Commission.

1.2 The Town of Beacon Falls does hereby establish a code of ethics for all officers, employees, officials, and agents, whether elected or appointed, paid or unpaid. The purpose of this policy is to establish suitable ethical standards for all such officers, employees, officials, and agents by prohibiting acts or actions incompatible with the discharge of their public duties and the best interests of the Town of Beacon Falls and by directing disclosure of private financial interest or personal interest in matters affecting the Town of Beacon Falls by such officers, employees, officials, and agents. Any violations of this article may constitute a cause for suspension, removal from office or employment or other disciplinary action.

2.0 Prohibited Activities

2.1 The Town of Beacon Falls hereby adopts in its entirety Section 1-84(a) through (c), 1-84(f) through (h), 1-84(j), 1-84(l) through (m), 1-84(o), and Section I-85 of the Connecticut General Statutes, as the same may be amended from time to time as prohibited activities of any officer, employee, official, or agent of the Town of Beacon Falls. **No person, whether they be an Officer, Employee, Official or Agent of the Town of Beacon Falls shall accept or receive any gift or service with an excess value of \$50.00. In the event that such gift or service is received, it shall forthwith be reported to the Ethics Board/Commission within thirty (30) days.**

2.2 No Officer, Employee, Official or agent of the Town of Beacon Falls shall represent any person or entity other than himself or a family member, or a business of which he is a principal, before any commission, board, or municipal authority of which he is a member, or of which he acts as agent or advisor.

2.3 No officer, employee or official of the Town of Beacon Falls, nor any member of the immediate family of any officer, employee or official of the Town of Beacon Falls, nor any business with which any officer, employee, or official of the Town of Beacon Falls is associated, shall enter into any contract with the Town of Beacon Falls, valued at one hundred dollars or more, other than a contract of employment, unless the contract has been awarded through an open and public process, including prior public offer and subsequent public disclosure of all proposals considered and the contract awarded.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

AN ORDINANCE CREATING A BOARD AND CODE OF ETHICS

2.4 No officer, employee, official or agent of the Town of Beacon Falls shall accept a fee or honorarium for any writing, appearance or speech, or for any participation in any event, in that person's official capacity. However, an officer, employee, official or agent of the Town of Beacon Falls may receive payment for reasonable and necessary expenses of any writing, speech, appearance or participation and shall be disclosed to the Board of Ethics of the Town of Beacon Falls within thirty (30) days of receipt, unless the reimbursement is paid by a state, municipal or federal government entity. If said officer, employee, official or agent of the Town of Beacon Falls fails to disclose any such payment within thirty (30) days of receipt to the Board of Ethics, either intentionally or due to gross negligence on that person's part, said person shall return the payment to the maker of the payment. If a failure to disclose is not intentional or due to gross negligence on the part of said person, then there shall be no penalty under this article. Whenever any officer, employee, official or agent of the Town of Beacon Falls attends an event in this state in that person's official capacity and as a principal speaker at such event receives admission to it, and or food and beverage from the sponsor of the event, such admission, food and or beverage shall not be considered a gift and no disclosure shall be required under this section.

3.0 Written Disclosure of Interest

Any officer, employee, official, or agent having any financial or private interest in a matter pending before the board, agency or authority on which he serves or for whom he is an agent shall file written disclosures of the interest with the Town of Beacon Falls as soon as he or she becomes aware of such interest. Such written disclosure shall set forth in detail the nature and extent of such interest.

4.0 Membership and Appointment Terms

- 4.1** There is hereby created a Board of Ethics that shall be charged with the administration of this article.
- 4.2** The Board of Ethics shall be composed of five (5) members and one (1) alternate member, all of whom shall be electors of the Town of Beacon Falls, to be nominated by the First Selectman and confirmed by the Board of Selectmen in accordance with Section 9-167a of the Connecticut General Statutes.
- 4.3** The members of the board shall be appointed by the Board of Selectmen to serve as follows:
- Two (2) members shall be appointed for a term expiring December 30, 2006.
 - Two (2) members shall be appointed for a term expiring in December 30, 2007.
 - One (1) members shall be appointed for a term expiring in December

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

AN ORDINANCE CREATING A BOARD AND CODE OF ETHICS

30, 2008.

- One (1) alternate member shall be appointed for a term expiring December, 30, 2006

Thereafter, all appointments shall be for a term of three (3) years. Any regular member having served for six (6) years in succession shall be ineligible for reappointment to the board. For individuals filling a vacancy, successive years of service will commence with the next appointment period. The alternate shall serve as a regular member in the absence or disqualification of a regular member and shall fill the unexpired portion of the term of any vacancy.

4.4 The Board of Selectmen shall remove a member of the Ethics Board for malfeasance or misfeasance and for failure to attend a majority of the meetings held annually.

5.0 Meetings; Quorums; Records and Minutes; Confidentiality.

5.1 Meetings shall be held at the call of the chairman and at such other times, as the board shall determine. The presence of four (4) members at a meeting shall constitute a quorum, except that any meeting whose purpose is to hear a complaint or violation of this code against an official or consultant shall have five (5) members to constitute a quorum. The board shall only conduct business if a quorum is present. The board shall keep minutes of its meetings and shall provide strict adherence to Robert's Rules of Order and the Connecticut Freedom of Information Act.

This ordinance becomes effective fourteen (14) days after publication in the most widely circulated newspaper in the Town of Beacon Falls.

Public Hearing held on December 5, 2005

Town Meeting held on December 12, 2005

Ordinance published in the most widely circulated newspaper in the Town of Beacon Falls on December 21, 2005.

Ordinance became effective January 6, 2006.

Revision to Ordinance

Town Meeting Held: February 25, 2008

Ordinance Published: March 1, 2008

Revised Ordinance became effective: March 16, 2008

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum D Town of Beacon Falls Certificate of Insurance (3rd Party)/Risk Management Guidelines

Third-Party Coverages and Minimum Limits

While CIRMA does not require that your contractors, lessees or permittees have specific coverage limits, CIRMA does recommend minimum limits of liability. These limits and their related coverages are indicated in the chart below.

IMPORTANT NOTE: As a CIRMA recommended best practice a member should contact their CIRMA Risk Management Consultant and CIRMA Underwriter to conduct a cooperative assessment with the municipality of potential liability exposures and an evaluation of potential severity of loss. Depending on the type of operation, this is the recommended method for utilizing this risk transfer technique to help ensure the appropriate limits are obtained. Remember that the limits alone do not guarantee coverage for a loss. All of the best practices outlined in this guide should be utilized to help ensure a municipality has adequate protection from a potential loss.

Coverages and Minimum Limits					
Exposure/Service Type	Commercial General Liability	Auto-Mobile Liability	Professional or Errors & Omissions Liability	Excess/ Umbrella Liability (with all liability coverages as underlyers)	Worker's Compensation & Employers Liability
Construction	\$1,000,000*	\$1,000,000*	\$1,000,000 (architects, engineers, designers, etc.)	\$5,000,000 with all liability coverages as underlyers	WC: Statutory EL: \$1,000,000
Non- construction, e.g., use of premises	\$1,000,000*	\$1,000,000*	\$1,000,000 (if applicable)	\$1,000,000 (higher limits recommended for high-risk)	WC: Statutory EL: \$1,000,000
Delivered Supplies Under Contract	\$1,000,000*	\$1,000,000*	N / A	\$1,000,000	WC: Statutory EL: \$1,000,000
Permit-Utility Company Permit	\$1,000,000*	\$1,000,000*	N / A	\$5,000,000	WC: Statutory EL: \$1,000,000
School Bus Contract	\$1,000,000*	\$1,000,000*	N / A	\$5,000,000	WC: Statutory EL: \$1,000,000
Professional Services	\$1,000,000*	\$1,000,000* (if applicable)	\$1,000,000	\$5,000,000	WC: Statutory EL: \$1,000,000
Permit-Blasting Permit	\$1,000,000*	\$1,000,000*	\$1,000,000 (engineers if applicable)	\$10,000,000	WC: Statutory EL: \$1,000,000
Permit- Right of Way/ On Public Land	\$1,000,000*	\$1,000,000* (if applicable)	N / A	\$1,000,000	WC: Statutory EL: \$1,000,000
Lease/ Rental- Non-Athletic	\$1,000,000*	\$1,000,000* (if applicable)	N / A	\$1,000,000	WC: Statutory EL: \$1,000,000

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Coverages and Minimum Limits					
Exposure/Service Type	Commercial General Liability	Auto-Mobile Liability	Professional or Errors & Omissions Liability	Excess/ Umbrella Liability (with all liability coverages as underlyers)	Worker's Compensation & Employers Liability
Lease/Rental-Athletic	\$1,000,000*	\$1,000,000* (if applicable)	N / A	\$1,000,000	WC: Statutory EL: \$1,000,000
Special Events-Carnival Rides	\$1,000,000*	\$1,000,000* (if applicable)	N / A	\$5,000,000	WC: Statutory EL: \$1,000,000
Special Events-Concerts	\$1,000,000*	\$1,000,000* (if applicable)	N / A	\$5,000,000	WC: Statutory EL: \$1,000,000
Special Events-Fireworks	\$1,000,000*	\$1,000,000* (if applicable)	N / A	\$5,000,000	WC: Statutory EL: \$1,000,000

***ADDITIONAL INSURED REQUIRED.**

Umbrella Coverage/Excess Coverage is recommended for all large contracts with catastrophic exposures or to bring underlying general liability and/or auto liability coverage up to recommended levels. Please refer to Appendix Q, page Q1 for a more detailed description of Umbrella and Excess Coverage.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

GatherGuard Program:

The Town is registered in the GatherGuard program via its current insurance provider (CIRMA). This is insurance that residents/visitors can utilize who hold events on town property. Information is provided below:

Protection through

GatherGuard

CIRMA can help protect your big day from the “uh-ohs” and “what-ifs” that might arise before or during an event through **GatherGuard**—a unique insurance program that provides convenient, low-cost coverage for special events held at local venues. GatherGuard, available through Intact Insurance, can help mitigate your risks while providing valuable protections and peace of mind.



TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

GatherGuard

Need proof of insurance?

We've got you covered.

Some of the country's most beautiful landscapes are found in local Connecticut parks and venues -- we'll help you get the protection you need and peace of mind you deserve for your next local event.



With **GatherGuard**, you can secure protection for most types of events, including:



Weddings and Receptions



Meetings and Seminars



Birthday Parties



Concerts



Festival and Cultural Events



Outdoor Fitness Events

Examples of what your **GatherGuard Policy** may cover:

- Damages to your or town/city property
- Injuries sustained by your guests while attending event
- Liability for accidents that may occur during your event
- Liability for events where alcohol is provided or sold (Host and Liquor Liability)



Protection in three easy steps:

1. Visit gatherguard.com and answer a few basic questions.
2. Once approved, purchase your insurance coverage online.
3. Congratulations! A Certificate of Insurance (COI) will automatically be emailed to you and your town, city, or school point of contact.

**Get
Covered
Today!**

Scan the **QR Code** or visit gatherguard.com



TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum E Town of Beacon Falls Petty Cash Reimbursement Form

Pay To:		Date:	/ /
Account #:		Department:	
Description/Explanation:			
Receipts attached <input type="checkbox"/>		Total Amount:	\$
Requestor's Name (printed):		Approver's Name (printed):	
Requestor's Signature:		Approver's Signature:	
Date:	/ /	Date:	/ /
Date Paid:	/ /	Check/ACH#:	

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum F Town of Beacon Falls Cash Drawer Reconciliation Form

Month Covered			Reconciliation Details		
From:		/ /	Reconciled By:		
To:		/ /	Date Period Reconciled:		/ /
Fiscal Year:			Beginning Cash:		\$
Rec. #	Date	Employee	Description	Account #	Amount
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
Total Expenditures:					\$
Remaining Cash (Beginning Cash MINUS Expenditures):					\$
Replenishment Check Request (Difference between Established Cash Drawer Balance and Remaining Cash):					\$
Ending Cash (Remaining Cash + Replenishment):					\$

Currency Type	# Bills/Coins	Amount
Pennies		
Nickels		
Dimes		
Quarters		
One-dollar bills		
Five-dollar bills		
Ten-dollar bills		
Twenty-dollar bills		
Total Remaining Petty Cash:		
Replenishment Amount:		
Ending Cash:		

RECEIPTS ATTACHED ☐

Department Cash Drawer Custodian Signature _____ Date _____

Town Petty Cash Custodian Signature _____ Date _____

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum F-TC Tax Collector's Cash Drawer Balancing Form

Name: _____

Date: _____

Currency	Bundled	Loose	Total
100's			
50' s			
20' s			
10's			
5's			
1's			

Subtotal: _____

Coin	Rolled	Loose	Total
1.00			
.50			
.25			
.10			
.05			
.01			

Subtotal: _____

Total Cash: _____

Less Fund (\$200.00): _____

Total Cash Deposit: _____

Signature: _____

Signature: _____

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum G Town of Beacon Falls Credit/Procurement Card Agreement

The Town of Beacon Falls Credit/Procurement Card Policy (hereinafter “policy”) describes important information about the Town credit/procurement card program. The policy is intended to inform employee as to the proper use of the credit/procurement card. The procedures and requirements set forth in the policy are to ensure that credit/procurement card use is consistent with the Town of Beacon Falls fiscal and internal control goals, and all applicable laws.

I acknowledge that I have reviewed the policy, and I understand that it is my responsibility to comply with the policies therein. I understand that my failure to abide by the policy will result in disciplinary actions.

I further acknowledge that the policy is subject to change by the town, at its sole discretion, and I agree that I will comply with all such revisions.

Employee signature

First Selectman signature

Employee name (printed)

First Selectman name (printed)

Date

Date

PURCHASING AND USE RESTRICTIONS

Per month/statement limit: \$_____

Vendor type and other use restrictions:



Addendum H

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

Town of Beacon Falls Asset Addition Form

Capital assets, by audit definition, are real/personal property (equipment, vehicles, infrastructure, etc.) that:

1. Have a value greater than or equal to \$5,000 (per item individually; not collectively if buying in bulk), and
2. Have an estimated life of greater than two (2) years, and
3. Are not purchased annually

Some assets BELOW \$5k w/ a useful life greater than 2 years will be recorded for inventory & maintenance purposes

Please complete and submit the form below including all supporting documentation to the Finance Department ASAP.

Today's Date

Name

Title

Department

Date of Purchase (invoice date)

Date Entered into Service

Vendor Name(s)

PO #

Total Cost (all components; installed/in-use) \$

Cost Breakdown: \$ purch.; \$ transp./freight; \$ install; \$ misc

Current Condition: ☐ New ☐ Used - Good ☐ Used - Fair

Purchase Method: ☐ Purchased Outright ☐ Leased ☐ Financed ☐ Donated ☐ Granted

If leased/financed, length of agreement (in years):

Warranty ☐ Yes ☐ No; If yes, length in years:

Was an asset traded in on the purchase of this asset? ☐ Yes ☐ No ; If yes, trade-in allowance: \$

Estimate Life of Asset (Years)

Estimated Life of Asset (Months)

Purpose/Function of Asset (what does it do/what is it used for?)

Is this an improvement/add-on to an existing asset? ☐ Yes ☐ No

If yes, asset year/name/make/model/tag #

Location within the site/building that asset will be stored

Finance
Department Only

Year	Make/Manufacturer	Model/Serial #	Type/Category	VIN #	Asset Tag #

Signature

Date

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum I Town of Beacon Falls Asset Disposal Form

Capital assets, by audit definition, are real/personal property (equipment, vehicles, infrastructure, etc.) that:

- 1) Have a value greater than or equal to \$5,000 (per item individually; not collectively if buying in bulk), and
- 2) Have an estimated life of greater than two (2) years, and
- 3) Are not purchased annually

Some assets BELOW \$5k w/ a useful life greater than 2 years will be recorded for inventory & maintenance purposes

Please complete and submit the form below including all supporting documentation to the Finance Department ASAP. This form does not grant approval to dispose of equipment; it only serves to update the inventory database.

Name Title

Department

Today's Date

Type of Disposition:

- ☐ Sold
- ☐ Scrapped
- ☐ Transfer within Town
- ☐ Transfer outside Town
- ☐ Traded-in
- ☐ Donated

If transferred, new location:

If replaced with another asset, provide year/name/make/model/tag #:

Disposal Date:

If sold, scrapped, traded-in, or donated:

Recipient: Price Paid: \$

Finance
Department Only

Year	Make/Manufacturer	Model/Serial #	Type/Category	VIN #	Asset Tag #
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Signature

Date

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum J Town of Beacon Falls Financial Policy Manual Post Issuance Compliance Policy

I. Parties

The parties identified in this section are as of the date of adoption of this Post-Issuance Compliance Policy and Procedures (the "Policy"). Following any changes to the parties listed herein, this Policy will be reviewed and amended, as provided in Subsection G of Section III.

Compliance Coordinator:	Natasha R. Nau Finance Manager
Bond Counsel:	Glenn Rybacki Pullman & Comley, LLC
Municipal Advisor:	Barry J. Bernabe Phoenix Advisors, LLC

II. Overview & Statement of Purpose

The Town of Salisbury, Connecticut (the "Issuer") has issued or will issue bonds, notes or other obligations ("Obligations"), which are tax advantaged obligations that receive preferential tax treatment under federal tax law. In order for the interest on Obligations to be and remain excluded from income of the holders of the Obligations (or for such Obligations to continue to receive preferential treatment) for federal income tax purposes, certain tax laws must be complied with. The Issuer makes certain representations and covenants in its Tax Compliance Agreements and/or Tax Regulatory Agreements ("Tax Certificates"), and in the bond documents and certificates executed in connection with the issuance of its Obligations. This Policy is intended ensure that the Issuer complies with the federal tax requirements regarding (i) the qualified use of the proceeds of the Obligations and the financed property and (ii) arbitrage yield restriction and rebate.

Securities and Exchange Commission Rule 15c2-12 ("Rule") requires a Participating Underwriter (as defined in the Rule) to determine that an issuer has entered into an agreement to provide certain financial information and event disclosures to the market. The Issuer has entered into continuing disclosure agreements for the benefit of the beneficial owners of its Obligations ("Continuing Disclosure Agreements"), pursuant to which the Issuer agrees to provide, or cause to be provided, information in accordance with the requirements of Rule 15c2-12. This Policy is intended to ensure that the Issuer complies with the disclosure requirements provided under the Rule.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

III. Procedures

A. Expenditure and Investment of Proceeds:

The internal controls and accounting systems of an issuer should be capable of tracking the expenditure, investment and reinvestment of proceeds of tax advantaged bonds, notes or other obligations ("Obligations") of the issuer, and such amounts should be tracked individually and be capable of designation in order that such amounts shall be attributable to specific issuances of Obligations. Appropriate coding systems should allow for the identification of facilities or property financed or refinanced by Obligations of the Issuer. Procedures developed by an issuer should ensure that proceeds are expended for purposes authorized under applicable bond authorization documents and in compliance with Tax Certificates of the issuer, including, without limitation, procedures to ensure that investments acquired with bond proceeds are purchased at fair market value. All investments and investment vehicles shall comply with federal and State of Connecticut laws.

1. For each issue of Obligations, a record shall be kept of the items and amounts paid for costs of issuance and whether or not such amounts were paid with proceeds of the Obligations. For those obligations that are subject to limits on the amount of proceeds that may be used costs of issuance, the Issuer shall ensure that no more than the limit (e.g., 2%) of the proceeds is used for costs of issuance.
2. For each issue of Obligations, the Compliance Coordinator shall evaluate and identify (i) the "spending exception(s)" (e.g., the construction/2year, 18-month, 6-month or small issuer spending exception) that pertain to the Obligations and set forth in the Tax Certificates, and (ii) the applicable "temporary periods" outlined in the Tax Certificates.
3. Based on the applicable spending exceptions and temporary periods, the Compliance Coordinator shall set a calendar of dates for reviewing expenditures by project to ensure compliance with spending targets. Upon the identification of a spending target not being met or the anticipation of a spending target not being met, the Compliance Coordinator should consult Bond Counsel to review available remedial options and take corrective action. In the case of refunding Obligations issued to permanently finance (currently refund) temporary notes (the "Prior Notes"), the Compliance Coordinator shall determine whether all proceeds of the Prior Notes have been expended.
4. Prior to the making of a "final allocation," expenditure information shall be tracked for each project by date, individual invoice, purchase order, and payment check, etc. Such information shall include expenditures that were reimbursed with proceeds of the Obligations (or the Prior Notes/Bonds/Obligations). Except for "preliminary expenditures," reimbursements for expenditures for projects that were expended prior to the issue date of Obligations will be limited to those paid

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

subsequent to, or not more than 60 days prior to, the adoption of a Declaration of Official Intent. Such declaration is generally included in the appropriation and bond authorization resolution, but otherwise may have been adopted in a different resolution. The Compliance Coordinator shall oversee such tracking.

5. A final accounting of the allocation of proceeds of the Obligations to expenditures shall be made by the Compliance Coordinator not later than 18 months after the later of the date the expenditure was made or the date the project was placed in service, but in any event, not later than 5 years after the Obligations were issued or 60 days after the Obligations were retired. A record shall be kept of other moneys (e.g., grants or general fund) that were used to finance the projects.
6. A record of the investment of proceeds of the Obligations, if any, shall be tracked, including dates of deposits and withdrawals, the accounts where the proceeds are maintained, and the interest rate and earnings thereon. If proceeds are held in an escrow deposit fund, statements received from the escrow agent shall be retained. The Compliance Coordinator shall keep, or cause to be kept, all such records.
7. The Compliance Coordinator shall keep a record of all other costs and expenditures of the Obligations, such as credit enhancement and capitalized interest.
8. A record of all payments of principal of and interest on the Obligations shall be kept by the Compliance Coordinator.
9. A record of the retirement or refunding of the Obligations or prior obligations and any reductions or paydowns on temporary notes shall be kept by the Compliance Coordinator.

B. Financed Facilities and Property:

While Obligations of the Issuer remain outstanding, an issuer should monitor the uses of facilities and property (which are financed or refinanced by such Obligations) by private persons or entities. Such uses include, but may not be limited to, arrangements for the sale, disposition, lease, management or other use of a portion of financed facilities and property. Any such non-governmental proposed uses should be subject to the prior review and approval of a designated officer of the issuer. Bond Counsel should be consulted as necessary. If any private use is identified, it should be documented, and Bond Counsel should be consulted regarding the "change in use" rules and regulations.

1. No sale, lease, management contract, research contract, special legal entitlement arrangement or other use arrangement shall be entered into for any facility or property financed with Obligations, unless such arrangement is reviewed and approved by the Compliance Coordinator. The Compliance Coordinator should consult with Bond Counsel, as necessary, to solicit advice concerning the arrangement and its potential effect on the tax status of the Obligations.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

2. Procedures shall be established with the procurement department, the board of education, or any other department that may negotiate or enter into arrangements with non-governmental/private parties (including 501(c)(3) entities) to ensure that the Compliance Coordinator has the opportunity to review such arrangements prior to their execution.
3. On an annual basis, the Compliance Coordinator shall analyze the private business use of financed facilities and property to determine whether the limitation (generally 5%, unless related business use) on private business use of proceeds has been exceeded.

C. Non-Compliance and Remedial Action:

All non-compliance or potential non-compliance with federal or State of Connecticut law regarding the tax advantaged status of Obligations of an issuer should be addressed immediately and, if appropriate, in consultation with Bond Counsel. Efforts shall be undertaken to address and remedy non-compliance.

1. Upon identification or determination of any non-compliance with, or violation of, the tax laws, the Compliance Coordinator shall review (with the assistance of other professionals as needed) the evaluation to ensure it was properly conducted.
2. Upon determination that non-compliance has occurred, the Compliance Coordinator shall consult with Bond Counsel, as necessary, regarding a course of corrective action regarding the ability to remedy the non-compliance under the Internal Revenue Code and Treasury Regulations or the need to utilize the Voluntary Closing Agreement Program (VCAP).

D. Post-Issuance Modification of the Obligations:

Prior to modification of the terms of any outstanding Obligations, including interest rate, maturity, etc., the issuer should consult with Bond Counsel regarding the potential effect on the tax status of such Obligations.

1. The Compliance Coordinator shall identify any potential plan to modify the terms of the Issuer's outstanding obligations and consult with Bond Counsel, as necessary, regarding the impact of such modifications and whether such modifications trigger a reissuance.
2. The Compliance Coordinator shall monitor the Obligations and identify modifications, or potential modifications, including, but not limited to:
 - a. Change in annual yield. Generally, a change in the annual yield of a tax advantaged obligation by more than the greater of $\frac{1}{4}$ of one percent or 5% of the annual yield of the unmodified instrument will trigger a reissuance.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

- b. Change in timing of payments. Depending on the circumstances, a reissuance may occur if there is a change in the timing of the payments due under the tax-exempt-bond such as an extension of the final maturity or a deferral of payments prior to maturity.
- c. Substitution of a new obligor or the addition or deletion of a co-obligor. If there is a change in payment expectations, the addition or deletion of a co-obligor on a tax advantaged obligation may cause a reissuance. The substitution of a new obligor on tax advantaged obligations is not a significant modification if the new obligor is related to the issuer and the collateral for the bonds includes the original collateral.
- d. Change in security or credit enhancement. If there is a change in payment expectations, the substitution of new collateral for existing collateral of a tax advantaged obligation may cause a reissuance. Generally, however, the substitution of a similar commercially available credit enhancement contract on a nonrecourse tax advantaged obligation will not cause a reissuance.
- e. Change in priority of an obligation. If there is a change in payment expectations, the subordination of a tax advantaged obligation to another obligation may cause a reissuance.
- f. Change in payment expectations. Depending on the circumstances, a change in payment expectations may cause a reissuance. A change in payment expectations may occur if there is a substantial enhancement or substantial impairment of an issuer's capacity to meet its payment obligations. An issuer's payment capacity for a bond issue includes all of its sources of payment on the bonds, including collateral, guarantees, or other credit enhancement.

E. Continuing Disclosure:

Under the provisions of the Rule, Participating Underwriters (as defined in the Rule) are required to determine that issuers have entered into written Continuing Disclosure Agreements to make ongoing disclosure in connection with offerings of obligations subject to the Rule. Unless the issuer is exempt from compliance with the Rule as a result of certain permitted exemptions, the issuer will enter into a Continuing Disclosure Agreement. Notices and filings required under the Continuing Disclosure Agreements will be made through the Electronic Municipal Market Access ("EMMA") System of the Municipal Securities Rulemaking Board ("MSRB"), unless otherwise prescribed by the MSRB or pursuant to a Continuing Disclosure Agreement. The disclosure requirements include (i) the filing of annual audited financial information ("Annual Financial Information") as described in each Continuing Disclosure Agreement; (ii) the filing of notices of certain events ("Event Notices") as listed in Rule 15c2-12(b)(5)(i)(C); or both (i) and (ii).

In order to ensure compliance by the Issuer with its Continuing Disclosure Agreements, the Compliance Coordinator will, if and as required by such Continuing Disclosure Agreements:

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

1. Maintain in the transcript for each issue of obligations, a Continuing Disclosure Agreement.
2. Prepare or review the Annual Financial Information (which may include a Comprehensive Annual Financial Report or other operating data) of the Issuer to ensure that the Annual Financial Information is in the form required by the respective Continuing Disclosure Agreements.
3. Maintain a calendar, with appropriate reminder notifications, listing the filing due date relating to dissemination of Annual Financial Information, which annual due date for the Issuer under its Continuing Disclosure Agreement is generally no later than 8 months following the end of the Issuer's fiscal year (June 30) (the "Due Date"), as provided in the related Continuing Disclosure Agreements.
4. Ensure timely dissemination of the Annual Financial Information by the Due Date, in the format and manner provided in the related Continuing Disclosure Agreements, which currently includes transmitting such filings to the MSRB through the EMMA System at <http://emma.msrb.org> in the format (currently word-searchable pdf) prescribed by the MSRB. The Compliance Coordinator may engage a Municipal Advisor to file, or supervise the filing of, the Annual Financial Information.
5. Monitor the occurrence of any "Listed Event" (as defined in the Continuing Disclosure Agreements) or "Material Event" (as described in Continuing Disclosure Agreements effective before December 10, 2010 ("Prior CDAs") and timely file an Event Notice of the occurrence of any such event at <http://emma.msrb.org> (or in the manner provided under the Continuing Disclosure Agreements). To be timely filed, an Event Notice must be filed not in excess of 10 business days (or such other time period as set forth in the Prior CDAs) of the occurrence of such event. The Issuer has established a process whereby all financial obligations (e.g., lease purchase agreements, borrowings, etc.) entered into by the Issuer, including the Board of Education, are reviewed by the Compliance Coordinator. The Compliance Coordinator may engage a Municipal Advisor to file, or supervise the filing of, notices concerning the occurrence of a "Listed Event" or "Material Event".
6. Ensure the timely filing of notice of any failure to perform under a Continuing Disclosure Agreement, if and as required by the Continuing Disclosure Agreements. Such notice shall be filed on EMMA at <http://emma.msrb.org>. The Compliance Coordinator may engage a Municipal Advisor to file, or to supervise the filing of such failure to perform.
7. Respond to requests, or ensure that the Issuer contact (as specified in the Continuing Disclosure Agreements, and generally is the First Selectman) responds to requests, for information under the Rule, as provided in the Continuing Disclosure Agreements.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

8. Identify dissemination agents other than the Compliance Coordinator (e.g., Municipal Advisor) and regularly monitor the performance of any dissemination agents engaged by the Issuer to assist in the performance of any obligation under the Continuing Disclosure Agreements.

F. Record Retention:

All records related to Obligations of an issuer, including, but not limited to, expenditures, invoices, requisitions, ledgers, bank statements, resolutions, bond authorizations, leases, management contracts and agreements, should be maintained for the life of the Obligations and any refunding notes or bonds plus 6 years. Physical copies of records or electronic versions should be maintained.

1. Records shall be maintained for the life of the Obligations and any refunding of the Obligations plus 6 years. All records related to the filing of Annual Financial Information and Event Notices as required by the MSRB (currently the MSRB's EMMA website, <http://emma.msrb.org>) shall be maintained for a minimum period of 10 years from the date of the final Official Statement for the Obligations. Physical copies of records or electronic versions shall be maintained by the Issuer.
2. The Compliance Coordinator shall ensure that systems are developed for the maintenance and safekeeping of the records, including, but not limited to:
 - a. Transcripts (closing binders or CD-ROMs or other electronic means) and closing documents, and any amendments thereto, for each issue of Obligations.
 - b. All accountings of proceeds of the Obligations to expenditures, such as invoices, requisitions, payments, canceled checks, ledgers, contracts and correspondence.
 - c. Copies of all management contracts, research agreements, construction contracts, purchase and sale agreements, leases or easements, other arrangements involving "special legal entitlements" (such as naming rights) or any other records pertaining to the facilities and property financed by the Obligations.
 - d. All accountings of investments of proceeds of the Obligations, such as bank statements, general ledgers, investment contracts and escrow accounts. Copies of Swaps and Guaranteed Investment Contracts, if any, and documentation related thereto.
 - e. All correspondence with the Internal Revenue Service.
 - f. Rebate computations and filings with the Internal Revenue Service, including IRS Form 8038-G filed upon the issuance of Obligations.
 - g. Copies of and receipts for filings on EMMA.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

G. Review and Amendment of Post-Issuance Compliance Policies and Procedures:

The post-issuance compliance procedures of an issuer should be reviewed at least annually, and the date of such review should be documented. The procedures may be modified, expanded, abridged, or otherwise amended in order to: (a) ensure efficiency of administration; (b) establish and maintain appropriate assignments of responsibility; (c) reflect changes in the issuer's system of accounting, financial controls, procurement practices, or other internal procedures and practices; (d) respond to changes in law or interpretation that may, from time to time, be reported to the issuer by Bond Counsel, its Municipal Advisor or other sources; or (e) otherwise ensure compliance with the procedures in the most efficient and effective manner.

1. At least annually, the Compliance Coordinator shall conduct or cause to be conducted a review these Post-Issuance Compliance Procedures to ensure that they are accurate and comprehensive.
2. Each time the Post-Issuance Compliance Procedures are reviewed or amended, such review date or amendment date and revision number shall be noted on the Post-Issuance Compliance Procedures. Amendments to the Post-Issuance Compliance Procedures should, as necessary, be in consultation with Bond Counsel.
3. Upon completion of review or amendment of the Post-Issuance Compliance Procedures, the Compliance Coordinator shall send a copy to Bond Counsel and affected officers or employees of the Issuer.
4. As part of the annual review, the Compliance Coordinator shall identify training needs and engage appropriate resources to conduct training. For example, for new employees, the Compliance Coordinator will review these procedures and any specific job description tasks required to be performed by such employee. As another example, the Compliance Coordinator may ask Bond Counsel or a Municipal Advisor to provide training on specific topics.

H. Retention of Professionals:

An issuer should engage such professionals or consultants as necessary to comply with federal and State of Connecticut law to ensure the preservation of the tax advantage status of the Obligations of the issuer. Such professionals may include, without limitation, bond counsel, arbitrage rebate specialists, Municipal Advisors and auditors.

1. If the Issuer determines that any of its Obligations are not exempt from rebate, the Issuer will engage an arbitrage rebate analyst as its arbitrage rebate computation agent.
2. The Compliance Coordinator shall ensure that the arbitrage rebate analyst timely prepares returns for the payment of arbitrage rebate (IRS Form 8038-T) and that such payments are made in accordance with the tax laws.

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL

I. General Matters:

1. For each issue of Obligations, Bond Counsel shall prepare and file in a timely manner on behalf of the Issuer, IRS Form 8038-G (or other applicable form). A copy of such filed 8038-G shall be placed in the transcript of proceedings for each respective issue of Obligations.
2. The Compliance Coordinator shall place a transcript of proceedings for each issue of Obligations in the Finance Office of the Issuer.
3. The Compliance Coordinator shall perform an annual review of filings on EMMA and of the Tax Certificate to ensure compliance therewith.
4. The Compliance Coordinator shall develop, or cause to be developed, any required training programs for employees or officials of the Issuer to ensure compliance with these Post-Issuance Compliance Procedures.

IV. Adoption and Effective Date

This Post-Issuance Compliance Policy and Procedures is adopted for use by the Comptroller's Office of the Town of Beacon Falls, Connecticut for the purposes described herein. It shall take effect upon its execution and as of the date listed below.

November 30, 2021



Natasha R. Nau
Finance Manager

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum K Town of Beacon Falls Asset Disposal Form



Town of Beacon Falls

ACKNOWLEDGEMENT OF RECEIPT OF TOWN PROPERTY

Name: _____

Date: _____

Description of Equipment or Property Issued to Employee/Contractor/Clerk:

Item Description: _____

Condition: New / Used

Condition Comments: _____

By signing this form, I agree to the following:

- I am responsible for the equipment or property issued to me;
- I will use it/them in the manner intended;
- I will be responsible for any damage done (excluding normal wear and tear);
- **I agree to the Return of Equipment/Supplies** prior to the end of the last day of work for the Town. I will return the item(s) issued to me in proper working order (excluding normal wear & tear); I will return all Town equipment and property to my supervisor or Town Administrator. This includes, but is not limited to, the return of all decals, passes, identification cards and keys.
- I will replace any items issued to me that are damaged or lost at my expense;

Employee/Contractor Signature: _____ Date: _____

Manager Signature: _____ Date: _____

Issued By: _____



Employee has separated from Employment with the Town of Beacon Falls. The items above have been returned in good condition.

Employee/Contractor Signature: _____ Date: _____

Manager Signature: _____ Date: _____

TOWN OF BEACON FALLS FINANCIAL POLICY MANUAL



Addendum L Town of Beacon Falls Financial Policy Manual Acknowledgement Form

I acknowledge that I have reviewed the policy, and I understand that it is my responsibility to comply with the policies therein as they apply to my employment/volunteer duties. I understand that my failure to abide by the policy will result in disciplinary actions, a copy of which shall be placed in my personnel file.

I further acknowledge that the policy is subject to change by the town, at its sole discretion, and I agree that I will comply with all such revisions.

Employee signature

First Selectman signature

Employee name (printed)

First Selectman name (printed)

Date

Date