



DISBURSEMENT POLICY

PURPOSE

To ensure that cash is disbursed only upon proper authorization for valid expenditures and payroll and are supported by the appropriate documentation.

APPLICABILITY

This policy applies to the job responsibilities of the Town Accountant, Treasurer/Collector and the role of the Town Administrator in approving warrants. It further applies to all department heads, officials, and employees who work for the Town and have spending authority.

POLICY

The Town of Hubbardston will release disbursements for accounts payable and payroll only after warrants are duly signed and approved by the Town Administrator. The Town Accountant shall be responsible for reviewing payroll submissions and accounts payable vouchers for accuracy, supporting documentation, compliance with procurement laws and policies, and proper department approvals before including them on a warrant. Petty cash is maintained by the Treasurer/Collector and the Town Clerk for the purposes of making change for cash paying customers. The Treasurer/Collector shall be responsible for disbursing all authorized payments by check, bank transfer, or direct deposit.

A. Responsibilities

Departments must:

- Verify sufficient funds are available in the appropriate account(s)
- Submit accounts payable vouchers with original receipt(s) and invoice(s)
- Indicate account(s) to be charged
- Include only current fiscal year charges
- Supply supporting documentation that procurement requirements have been met
- Prepare a payroll summary based on employees' signed time sheets, including rate of pay, hours worked, pay type earned (e.g. regular, overtime, detail, etc.), and accrued time used (e.g., vacation, personal or sick)

- Obtain the department head's original signature, stamp signatures are not allowed, on each accounts payable and payroll voucher submission

Please note: elected and appointed boards that serve as the department head authorized to expend town funds must approve vendor and payroll submissions. The committee may delegate this approval authority, by vote, to one of its members, who shall make available to the board, at the first meeting following such action, a record of such actions. This task may also be designated to a department assistant by having the board/commission sign an "authorized signature" form each fiscal year.

Town Accountant:

- Review each submission for completeness and accuracy
- Verify it is a legal purpose, the appropriate account(s) charged, and funds are available
- Confirm proper documentation supplied and authorized signature affixed to each submission
- Return submission lacking proper funding, documentation and authorization to appropriate department, indicating the reason
- Prepare and sign the warrant for the Town Administrator's approval

Town Administrator:

- Review each warrant submitted for approval
- May examine payroll, invoices, and backup documentation
- May direct inquiries to the Town Accountant on particular submissions
- Sign warrant

Treasurer/Collector:

- Reviews detailed warrant and verifies that no outstanding amounts are due from any listed individuals and/or vendors
- Holds back check(s) written to a payee with a liability to the Town, applies it to the amount due the Town, and issues a net check to the recipient for any remaining balance
- Disburses all authorized payments by check, bank transfer, or direct deposit

B. Petty Cash

The Treasurer/Collector and Town Clerk keep a small amount of cash in their offices for the sole purpose of making change for cash paying customers.

C. Unpaid Bills of the Prior Year

Departments will submit expenses for the current fiscal year. In the event a department submits a charge for a prior fiscal year, the Town Accountant may not pay it from the current appropriation. A town meeting vote is required before payment is authorized for a prior year

bill. If there is an insufficient appropriation in the fiscal year in which such bills were incurred, a 9/10th special town meeting or 4/5th annual town meeting vote is required before payment is authorized.

D. Emergency Disbursement

As a rule, all disbursements are made through the warrant process. However, in an emergency or extenuating circumstance where payment must be made to a vendor outside of the normal warrant process, the Town Accountant may process a special warrant.

E. Audit

All approved warrants are subject to audit by the Town's independent auditor.

REFERENCES

M.G.L. c, 41, §§41, 41A, 41B, 41C, 42, 43, 52, 56 M.G.L. c 44, §§56, 58, 64 M.G.L. 30B

EFFECTIVE DATE This policy was adopted November, 2018.