

# FINANCIAL PROCEDURES

## FOR THE TOWN OF NORWAY

**Purpose:** This ordinance shall apply to all transactions of the Town of Norway involving the receiving of, spending of, and or care and investment of the Town's moneys. The purpose of this ordinance is to promote accountability, provide clarification of the roles of the employees of the Town of Norway, and; to bring the Town into compliance with generally accepted standards and laws of the State of Maine.

### **Town Budget:**

1. **Fiscal Year:** The fiscal year of the Town of Norway shall be July 1 through June 30.
2. **Adoption Process:** The Town Manager shall present a budget for the operation of the town for the coming fiscal year to the select-board on the first regular select-board meeting in April. The budget shall contain the manager's estimate of the total revenues, expenditures, property taxes and appropriations necessary to operate the Town and meet its needs for the coming fiscal year. The manager shall notify each department head and citizens of the Town that budget requests must be submitted to the manager's office at dates he/she selects. The manager shall review and make note of those requests in the document that is submitted to the select-board. The select-board, after reviewing the manager's budget, will draft warrant articles that state the amounts recommended for the operation of the town for the coming year and present that to the citizens in the annual report at least one week prior to the annual Town Meeting. The annual Town Meeting will be in June.
3. **Surplus:** It shall be the policy of the Town to keep an unappropriated fund equity balance (surplus) of one million dollars.
4. **Budget Committee:** Each year the Town Meeting shall decide whether or not to appoint a budget committee, comprised of Norway citizens appointed by the select-board, to review the Town Manager's next year's budget recommendations. Those recommendations shall also be printed in the Town Report along with those of the select-board.
5. **Capital Budget:** The manager's annual budget document shall contain a capital budget. The capital budget shall contain as a minimum 1) a narrative that describes the major cost needs of the Town; 2) and inventory and description of the condition of the Town's property, road network and equipment, etc.; 3) a plan for major projects and purchases for at least the next five years.
6. **Sewer Department:** The sewer department will generally be operated for the revenues collected from the users. As such, the budget committee will only review that part of the sewer budget that seeks funds, either directly or indirectly, from property taxes. The Town Manager, on advice from the sewer superintendent, shall present the sewer budget to the select-board by June 1 and the board will review and adopt it prior to July 1. Should the select-board need more time, they may extend the deadline by majority vote as needed.
7. **Monitoring:** The administrative assistant shall enter the budget as voted at the annual Town Meeting into the Town's records. The administrative assistant shall pay bills from the appropriate

budget categories as directed by the Town Manager and as approved by the department heads. On or after the first of each month, the administrative assistant shall distribute reports to the respective department heads, Town Manager and select-board that summarize the previous month's expenditures and appropriate account status.

## **Paying Bills / Purchasing**

**1. Purchase Orders:** The Town of Norway will use a purchase order system for all purchases. All purchase orders of total value of \$200 or less may be signed by the department head based on planned budget expenditures. If an item is less than \$200 but is not a planned budgeted item, the Town Manager (or his designated administrative assistant) is required to sign the purchase order. The Town Manager (or administrative assistant) is required to sign the purchase order. The administrative assistant must receive a copy of all purchase orders. He/she will then check the signatures and make sure the item was received before payment is made. Copies of the purchase order will be stapled to the paid bill and filed.

**2. Bidding:** All purchases of goods and services expected to cost over \$5,000 shall be done by competitive bid. (Bids may and should be used for lesser amounts when it serves the best interests of the Town of Norway.) The department head and/or the Town Manager will prepare specifications for such purchases. The bids may be solicited by general advertising, and the bid list shall be comprised of companies / individuals qualified to provide the good(s) or service(s), or from a joint bid with other entities. Bids will be opened in a public place at a time specified in the request for bids. The tabulation of the bid results shall be a public document. Once the results are tabulated and analyzed by the Town Manager, he or she will make a recommendation (based on price, value, recommendations, performance and other considerations) to the select-board. The board will make a decision on award at a regular or publicized special public meeting.

**3. Joint Bidding / Joint Purchasing:** The Town Manager has the authority to join other units of government including quasi-municipal entities such as SAD#17 or AVCOG in cooperative purchasing agreements when such actions are in the best interests of the Town of Norway and provided such actions are consistent with legal requirements.

**4. Conflict of Interest:** No employee or select-board member of the Town of Norway may play any part in making recommendation as to the purchase of a good or service by the Town of Norway when that individual or any member of his household has a financial interest in that good or service. Any employee or board member must publicly disclose the nature of such a conflict of interest to the Town Manager in cases where the manager is making the decision to purchase, or to the board when the board is making a the decision to purchase. Exceptions to this are in a bona fide emergency when a threat to life and property exists; or when the good or service is not available from another source.

**5. Right to Reject:** When the Town Manager or select-board determines the the Town has insufficient funds to pay for the good or service for which bids have been received, or that the responses are not in the best interests of the Town of Norway, they may reject any and all bids.

**6. Warrants:** The administrative assistant to the Town Manager will prepare bills to be paid prior to each regular select-board meeting. The Town Manager shall review the warrant prior to the meeting and each shall be given to the board for votes and signatures. Except in emergency situations involving danger to life and/or property, or risk of personal injury, Town payments will not be issued unless

properly approved on a warrant as stated.

**7. Exception to Warrant Procedure:** In accordance with the 30-A MSRA 5603 2 A1,2 the municipal officers may accept a procedure to exempt payroll and SAD#17 assessments from the above procedure for warrants. If approved annually, the board may inform the clerk and treasurer and designate one of its members to approve the payment of these warrants.

Adopted by the Norway Select-board and currently in effect