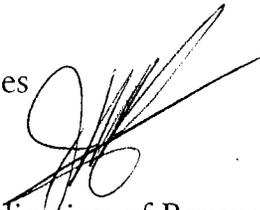


POLICY -97-04

To: All Department Heads

cc: Select Board, Town Auditors, Village Trustees

From: James A. McSweeney, Town Manager 

Re: Policy Memorandum #97-04 Approval- Application of Revenues/Interest earned on Investments Applied to Appropriate Funds

Date: January 14, 1997

EFFECTIVE DATE- IMMEDIATE

HISTORY

Over the last few months, discussions have been on-going regarding the establishment of a Policy dealing with the allocation of revenues between the General, Impact Fee and the Enterprise Funds. A Policy was formulated and input sought from various sources as to the application. As a result the Policy below was created.

PURPOSE: The purpose of this Policy is TO INSURE THAT ALL FUNDS receive the appropriate credit for revenues and earned interest due to the specific fund. The application of this Policy is to assure taxpayers and rate payers who are responsible for payment of taxes, water/sewer rate and all associated costs within the various funds receive the proper credits from revenues grants and interest earned on monies due to the fund. This Policy is generally intended to insure that revenues and grants received or interest received for a particular fund is not used for any purpose other than to ease the financial burden of property owners charged with paying property taxes, fees for water and sewer and other users fees and that interest is charged to/on any interfund borrowing.

PROCEDURE: Is described in the Policy and/or as may be determined from time to time by the Town's outside Auditors and Treasurer.

Policy 97-04 continued:
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All revenues grants and interest money earned that are due to or received for the General, Impact Fee, Enterprise Fund and/or all other separate funds currently established or established in the future are to be credited to the appropriate funds. This is to include all operating, capital and or any other accounts that are established for any purpose within a particular fund. Further, any interest on the investment of excess bond proceeds shall be credited to the account of the Fund that is paying interest on the debt. This procedure requires that interest will be charged on any approved interfund borrowing. The rate of interest will be in line with current interest rates at the time of borrowing and will be set by the Treasurer. This process is no different than if we were borrowing from an outside institution.

The Milton Select Board, acting in regular session on January 20, 1997 voted in favor of the following:

"Voted that the Select Board accepts Policy # 97-04 requiring revenues , grants and interest money to be credited to the appropriate Town Funds in accordance with the Policy as outlined and presented to the Select Board on 1-20-97 and that this Policy be part of the permanent record by attachment of same to the Minutes of this Meeting."

Filed with the Town Clerk's Office this ^{31st} day of *January* 1997.

Attest: *Loretta R. Dennis*
Asst. Clerk