

**Town of Colchester
Budget Transfer Procedures
Use of Capital Reserve Fund**

1.0 Purpose

The purpose of these procedures is to specify the Board of Selectmen's and Board of Finance's (boards) intent for dealing with budget transfers, or supplemental appropriation of funds throughout the fiscal year, consistent with the Town Charter. It is recognized that the boards have joint responsibility to approve budget transfers and supplemental appropriations. It is also recognized that it is operationally prudent to have certain budget transfers occur at the end of the fiscal year once all line item expenditures are complete.

2.0 Funding of expenditures requiring prior approval of boards

- 2.1 Supplemental appropriation from fund balance
- 2.2 Transfer between department budgets
- 2.3 Transfer of funds from salary or benefit line items within a department budget
- 2.4 Changes of \$1,000 or more in a funded program should be referred to the boards for review with a fiscal impact note.

3.0 Funding of expenditures not requiring prior approval of boards

- 3.1 Individual line items within a department budget other than salary and benefits may be over-expended as long as the total budget for that department excluding salary and benefits is not over-expended and the over-expenditure does not represent a repurposing of budgeted funds to another use.
- 3.2 The First Selectman may authorize the over-expenditure of any line item to deal with immediate matters of public safety such as a fire, weather event, or other such incident. The First Selectman shall notify the Boards at their next regular meeting, even if the items cannot be quantified yet.
- 3.3 The First Selectman may authorize the over-expenditure of any legal line item to defend the Town, its subdivisions and/or its employees in a matter that requires a contemporaneous legal response. The First Selectman shall notify the Boards at their next regular meetings and the Boards should approve legal expenditures for the specific issue up to a defined maximum dollar amount. The First Selectman shall continue to provide updates on the specific legal matter in executive session at subsequent Board meetings until the matter is closed.

4.0 Use of Capital Reserve Fund

- 4.1 Requests by Department Heads for authorization to use Capital Reserve Funds are to be made to the First Selectman and the Chief Financial Officer. Authorization for expenditures not to exceed \$10,000 shall be made by the First Selectman. Authorization for expenditures exceeding \$10,000 shall be approved by the Board of Finance upon recommendation of the First Selectman.
- 4.2 The First Selectman may authorize the over-expenditure of Capital Reserve Funds to deal with immediate matters of public safety such as a fire, weather event, or other such incident. The First Selectman shall notify the Boards at their next regular meeting, even if the items cannot be quantified yet.

Appendix A – Departments

The following are identified as departments for purposes of this policy:

Boards and Commissions

Contingency

First Selectman

Human Resources

Finance

Tax Collector

Assessor

Planning/Building Code Administration

Town Clerk

Registrar of Voters

Information Technology

Police

Fire

Emergency Management

Public Works (including Public Works Administration, Highway, Fleet Maintenance, Grounds Maintenance, Snow Removal, Facilities, and Transfer Station)

Engineering

Youth and Social Services

Cragin Memorial Library

Recreation

Senior Services

Appendix B – Charter Language

§ C-402. Powers and duties of the Board of Selectmen.

- I. The Board of Selectmen may recommend to the Board of Finance the approval of the following matters concerning the Board of Selectmen's budget (subject to further approval by the Town Meeting, if so required):

- (1) Any supplemental appropriation of funds; and
- (2) Any transfer of funds between Town departments.

§ C-601. The Board of Finance.

- C. The Board of Finance shall be responsible for developing and presenting to the Town voters the budgets for all Town departments and the overall Town government and shall have all of the powers and perform all of the duties conferred or imposed upon boards of finance by the General Statutes.

- (1) The Board of Finance shall have the authority to approve supplemental appropriations from, and transfers within, the Town budget as recommended by the Board of Selectmen, subject to the further approval of the Town Meeting, if so required.

§ C-1203. The Department of Public Works.

- A. The Department of Public Works shall be responsible for:

- (1) The inspection and construction, reconstruction, care, maintenance, altering, paving, repairing, draining, cleaning and snow clearance of all public places and of all streets, highways, sidewalks and curbs, and of the installation and maintenance of all public lighting, street signs, guideposts and public utilities;
- (2) The construction, reconstruction, care, repair and maintenance of all public works and public improvements, except those under the jurisdiction of the Department of Parks and Recreation;
- (3) The maintenance, care and improvement of, and construction required in connection with, all public works and public improvements of the Town;
- (4) The improvement, repair and maintenance of all equipment, including automotive equipment, used in the Department of Public Works or in any other department, including police, fire and, upon request, school equipment; and
- (5) The inspection and construction, reconstruction, care, maintenance and operation of all services provided in the Sewer and Water District.

- B. The Department of Public Works shall consist of the Director of Public Works, who shall be the department head, and such other personnel as is deemed necessary by the Board of Selectmen. The Department of Public Works may delegate such responsibilities to other Town departments as necessary for the efficient and effective maintenance of Town facilities.