



FINANCIAL POLICIES

A1 Annual Budget Process
A2 Capital Improvement Plan
A5 Financial Reserves

Presented to the Selectboard on November 28th, 2022



A1 BUDGET PROCESS

- Annual policies adopted back in 2014 did not include an explanation on how the annual budget is created
- Added roles and responsibilities of the FinComm, Selectboard, Town Administrator, department heads. Tax collector and Treasurer were added as part of the financial team. They are not part of the budget process.
- Explanation of what an "annual" budget is, town budget fiscal year cycle
- Language was adjusted for consistency in definitions with with Capital policies

A2 CAPITAL IMPROVEMENT

- The CIC worked along with the FinComm to revise the language of the drafted policy.
- Town's Capital Improvement Committee worked in a multi-year Capital Plan.
- Strengthened the language on "Purpose" of this policy as well as a definition of what is a capital asset
- Added language to improve transparency in the process of developing the Capital Improvement Plan process aligned with the annual budget process

A5 FINANCIAL RESERVES

- The Financial Management drafted a policy that we received in July 2021, we identified various places in which we made adjustments based on current conditions or do a better job of explaining our Town's approach to Reserves. This is closely interwoven with the Annual Budget Process and Capital Planning.
- Added a stronger definition for "Enterprise Fund"
- Added a stronger definition of "Retained Earnings"