

Town of Orange

Financial Policy

I Purchasing Policy.

- A. **Selectboard Duties.** The Selectboard shall be the general purchasing agent for the town and shall be responsible for the purchase of all supplies for every department. The Selectboard may allow the Town Treasurer, Town Clerk, Road Foreman and Emergency Management Director to purchase supplies up to the limits defined for their roles in the most current version of the Town's Purchasing Policy. Purchases in excess of five thousand dollars (\$5,000.00) shall be subject to competitive bidding except if the selectman shall find the bidding shall be of no advantage to the town. In such case, they shall then detail in their minutes the reasons for such findings and no bidding shall be required for that particular expenditure.
- B. **Departments and Agencies.** No office, department, or agency shall, during any budget year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose in excess of the amounts appropriated for the general classification of expenditures, without approval from the Selectboard.

II Expenditure of Appropriated Funds.

- A. **Fund Expenditure.** No expenditure in any fund shall be legal or proper unless appropriations adequate to meet that expenditure have been made in the budget.
- B. **Approval.** The Selectboard shall have charge of the administration of the financial affairs of the town and to that end shall supervise and be responsible for the disbursements of all monies and have control over all expenditures to ensure that appropriations are not exceeded. The Selectboard shall exercise financial budgetary control over each office, department, and agency and shall cause separate accounts to be kept for the items of appropriation contained in the budget, each of which shall show the amount of the appropriation, the unpaid obligation against it, and the unencumbered balance. The same classification and numbering system used in the budget shall be used, unless the Selectboard shall certify that there is a sufficient unencumbered balance available; no appropriation shall be encumbered and expenditure shall be made.

III Accounting.

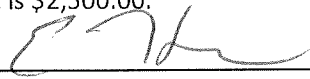
- A. **Structure.** The following funds may be established and shall be used as necessary to provide for the proper accounting of all financial activities of the town:
 - 1. The general fund to account for the general governmental operations and all financial transactions not properly accounted for in another fund.
 - 2. The highway funds are restricted is not to be used for any other purpose and are not to be used for any other fund than it was budgeted for.
 - 3. Capital project funds to account for the receipt and disbursement of monies including bond funds used for the acquisition of capital facilities.
 - 4. Trust funds to account for assets held by the town as trustee or agent for individuals, private organizations, and other governmental units.
- B. **Unencumbered fund balance.** All appropriations which are not obligated, encumbered or expended at the end of the fiscal year shall lapse and shall become part of the unencumbered fund balance which will be appropriated for the next fiscal year.

- C. **Accounts.** A complete self-balancing group of accounts shall be established and maintained for each fund used.
- D. **Basis of accounting.** Year-end balance sheets for all funds shall be prepared on the modified cash basis of accounting. Operating statements may be presented on the cash basis on accounting. All receipts and disbursements shall be posted promptly and at least on a monthly basis. To the extent possible, all interfund transfers shall be cleared by the end of the fiscal year.

IV Financial reports and audits.

- A. **Reports.** Financial statements and reports showing the current conditions of budgetary and proprietary accounts shall be prepared by the town treasurer and presented to the Selectboard monthly. The reports shall include a tabular statement indicating for each appropriation the amount originally appropriated, the amount expended or encumbered to date, and the available balance. No later than thirty (30) days after the close of the fiscal year, a comprehensive annual financial report covering all funds and financial operations shall be prepared. A summary of this report, containing at least a statement of revenues and expenditures as of the close of the preceding year and the combined balance sheet for all funds and account groups, shall be published. Sufficient copies of the report shall be made available for the use of all offices, departments and agencies and for the use of interested persons and civic organizations.
- B. **Audits.** All funds, accounts and financial transactions of the town are subjected to an annual audit performed by a CPA firm with fund accounting audit experience.
- C. **Credit cards.** Treasurer and assistant treasurer - \$2,000.00 limit, Road Foreman - \$500.00 limit. Total credit card limit is \$2,500.00.

ADOPTED:



12/20/23



12/21/23



12/20/23

Signatures

Date