

BOS 4/12

Chris Please get (6)

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INTEROFFICE MEMORANDUM

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a copy of law

to attach

**TO:** ACTON BOARD OF SELECTMEN, ACTON FINANCE COMMITTEE  
**FROM:** SHARON SUMMERS *Sharon Summers*  
**SUBJECT:** DOUGLAS AT DAWN/DUSK AND MERRIAM MORNINGS/AFTERNOONS REVOLVING ACCOUNT  
**DATE:** 4/7/2004  
**CC:** BILL RYAN, ACTON SCHOOL COMMITTEE, LISETTE KAPLOWITZ, SANDRA WILENSKY AND STEVE BARRETT

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Please consider this memo as a request, in accordance with Chapter 44, Section 53E 1/2 of the Mass. General Laws, to amend the level of spending for the Douglas at Dawn/Dusk program in FY04 from \$100,000 to \$125,000, and to amend the level of spending for the Merriam Mornings/Afternoons program from \$30,000 to \$50,000.

During FY04 the programs have expanded beyond the principals' original estimates. The Douglas program has current FY04 receipts of \$88,300 and Merriam's current receipts are \$54,660. The current amount expended by Douglas is \$87,822.54 (with an additional \$26,379.94 encumbered); expended by Merriam is \$38,239.32.

The Douglas program had a beginning fund balance of \$67,688 at July 1, 2004, and Merriam's beginning fund balance was \$1,500.

If you need any additional information concerning this request, please do not hesitate to call me at 978-264-4700 X3205.

# GENERAL LAWS OF MASSACHUSETTS

## PART PARTIZMV-RP. ADMINISTRATION OF THE GOVERNMENT

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### TITLE VII. CITIES, TOWNS AND DISTRICTS

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#### CHAPTER 44. MUNICIPAL FINANCE

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#### MISCELLANEOUS PROVISIONS

#### Chapter 44: Section 53E 1/2 Revolving funds

Section 53E1/2. Notwithstanding the provisions of section fifty-three, a city or town may annually authorize the use of one or more revolving funds by one or more municipal agency, board, department or office which shall be accounted for separately from all other monies in such city or town and to which shall be credited only the departmental receipts received in connection with the programs supported by such revolving fund. Expenditures may be made from such revolving fund without further appropriation, subject to the provisions of this section; provided, however, that expenditures shall not be made or liabilities incurred from any such revolving fund in excess of the balance of the fund nor in excess of the total authorized expenditures from such fund, nor shall any expenditures be made unless approved in accordance with sections forty-one, forty-two, fifty-two and fifty-six of chapter forty-one.

Interest earned on any revolving fund balance shall be treated as general fund revenue of the city or town. No revolving fund may be established pursuant to this section for receipts of a municipal water or sewer department or of a municipal hospital. No such revolving fund may be established if the aggregate limit of all revolving funds authorized under this section exceeds ten percent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section twenty-three of chapter fifty-nine. No revolving fund expenditures shall be made for the purpose of paying any wages or salaries for full time employees unless such revolving fund is also charged for the costs of fringe benefits associated with the wages or salaries so paid; provided, however, that such prohibition shall not apply to wages or salaries paid to full or part-time employees who are employed as drivers providing transportation for public school students; provided further, that only that portion of a revolving fund which is attributable to transportation fees may be used to pay such wages or salaries and provided, further, that any such wages or salaries so paid shall be reported in the budget submitted for the next fiscal year.

A revolving fund established under the provisions of this section shall be by vote of the annual town meeting in a town, upon recommendation of the board of selectmen, and by vote of the city council in a city, upon recommendation of the mayor or city manager, in Plan E cities, and in any other city or town by vote of the legislative body upon the recommendation of the chief administrative or executive officer. Such authorization shall be made annually prior to each respective fiscal year; provided, however, that each authorization for a revolving fund shall specify: (1) the programs and purposes for which the revolving fund may be expended; (2) the departmental receipts which shall be credited to the revolving fund; (3) the board, department or officer authorized to expend from such fund; (4) a limit on the total amount which may be expended from

such fund in the ensuing fiscal year; and, provided, further, that no board, department or officer shall be authorized to expend in any one fiscal year from all revolving funds under its direct control more than one percent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section twenty-three of chapter fifty-nine.

Notwithstanding the provisions of this section, whenever, during the course of any fiscal year, any new revenue source becomes available for the establishment of a revolving fund under this section, such a fund may be established in accordance with this section upon certification by the city auditor, town accountant, or other officer having similar duties, that the revenue source was not used in computing the most recent tax levy.

In any fiscal year the limit on the amount that may be spent from a revolving fund may be increased with the approval of the city council and mayor in a city, or with the approval of the selectmen and finance committee, if any, in a town; provided, however, that the one percent limit established by clause (4) of the third paragraph is not exceeded.

The board, department or officer having charge of such revolving fund shall report to the annual town meeting or to the city council and the board of selectmen, the mayor of a city or city manager in a Plan E city or in any other city or town to the legislative body and the chief administrative or executive officer, the total amount of receipts and expenditures for each revolving fund under its control for the prior fiscal year and for the current fiscal year through December thirty-first, or such later date as the town meeting or city council may, by vote determine, and the amount of any increases in spending authority granted during the prior and current fiscal years, together with such other information as the town meeting or city council may by vote require.

At the close of a fiscal year in which a revolving fund is not reauthorized for the following year, or in which a city or town changes the purposes for which money in a revolving fund may be spent in the following year, the balance in the fund at the end of the fiscal year shall revert to surplus revenue unless the annual town meeting or the city council and mayor or city manager in a Plan E city and in any other city or town the legislative body vote to transfer such balance to another revolving fund established under this section.

The director of accounts may issue guidelines further regulating revolving funds established under this section.

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