

FINANCE POLICIES OF THE PILLSBURY LAKE VILLAGE DISTRICT

PREAMBLE AND LEGAL AUTHORITY. The following policies for handling the finances of the Pillsbury Lake Village District, a village district within the meaning of NH RSA 52, located within the Town of Webster and RSA 41 are adopted pursuant to the following statutory authority:

- RSA 52:3 which provides that a village district shall “shall have all the powers in relation to the objects for which was established that towns have or may have in relation to like objects, and all that are necessary for the accomplishment of its purpose.
- RSA 52:3-a which provides that “the commissioners of a village district... shall have the same powers, duties and responsibilities of selectmen of towns which are granted or required pursuant to RSA Title XX; and, where appropriate, selectmen of towns shall be construed to mean commissioners of village districts.”
- RSA 52:8 which provides that “The moderator, clerk, treasurer and commissioners shall severally qualify and possess the same powers and perform the same duties in respect to the district’s meetings and business affairs that the moderator, clerk, treasurer and selectmen of towns respectively possess and perform in respect to like matters in towns.”
- RSA 41:9 which provides, *inter alia*, that selectmen and therefore village district commissioners:
 - III.... shall keep a fair and correct account of all moneys received, all accounts and claims settled and all orders drawn by them, and of all other financial transactions in behalf of the district.
 - VI.... shall be responsible for establishing and maintaining appropriate internal control procedures to ensure the safeguarding of all district assets and properties.
 - VII...shall annually review and adopt an investment policy for the investment of public funds in conformation with applicable statutes and shall advise the Treasurer of such policies.

These PLVD Financial policies superseded prior PLVD financial policies as outlined by the General Laws of the State of New Hampshire.

SECTION 1. PURPOSE

1.1 The objective of this policy is to attempt to strike a balance between the need for operating efficiency and flexibility, and the need for financial control and accountability. This policy shall be known as the “Financial Policies of the Pillsbury Lake Village District”. The District being of limited size and established on specific purposes, the roles and duties of each official as to the conduct of financial transactions, including the Treasurer, as set forth herein and may therefore exceed any general “custodial” function.

SECTION 2. REVENUE

2.1 Revenue to the District consists of payment of property taxes as a precinct add-on tax to the tax collections of the Town of Webster for the district residents, and payment of water charges by residents for the District water system.

2.2 All tax payments credited to the District are deposited to the General Fund Account of the District. Any portion of delinquent taxes owned by the taxpayer attributed to the District surcharge are advanced to the District by the Town of Webster, with default and tax enforcement remedies including lien and foreclosure rights residing exclusively in the Town of Webster. This arrangement shall only be altered in writing through negotiations between Town of Webster representatives and the PLVD Board of Commissioners (BOC).

2.3: All water charges collected are also automatically deposited to the District’s Water Fund Account through deposit, after accounting therefor, and shall not be commingled with the general fund revenues.

2.4 The District is authorized to enter into negotiations with the Town of Webster through the District’s BOC from time to time, as may seem appropriate, to maximize and ameliorate the cash flow situation from the collections described in Section 2.2 and 2.3.

2.5 Monies paid under an award of grant, as designated loan proceeds, or for other specific project purposes, as may be received under RSA 31:95-b (adopted by 2007 Warrant Article 3) should be deposited into a bank account created for that purpose if at all feasible, and a separate accounting for that account in the District financial books shall be established so as not to commingle such funds, and to maintain a clear record of payments from these types of special purpose funds

SECTION 3. DEPOSIT PROCEDURES

3.1 For all monies received by the District other than by direct deposit, wire transfer, or other automatic deposit procedure, a copy of such check and of the bank deposit slip, and of the details of the account within which deposited with any restrictions shall be completed, kept together and maintained in a chronological deposit file, with entry of such deposit noted in the books under the proper assigned category.

3.2 It is primarily the responsibility of the Treasurer to effect any deposits and at least once each month or more often upon request, to provide a written report to the BOC of all deposit amounts (regardless of how deposited), where deposited, and for what purpose. The Treasurer shall also be responsible to reconcile all deposits with bank statements each month. Any delegation of such duties must be to a person approved in advance in writing by the BOC.

SECTION 4. PETTY CASH POLICY

4.1 The District may, but not required, to use a petty cash account which is general funds monies and is not to exceed the sum of \$500.00 pursuant to RSA 41:9. Petty cash is for official business only, specifically the reimbursement of small amounts for items purchased for the business of the District. Such reimbursement shall be made only upon presentation of the appropriate paid receipts. No person shall use Petty Cash for any personal business, or cash check through Petty Cash, even if the intent is to reimburse Petty Cash.

4.2: Custody of the Petty Cash shall be the District's Treasurer or designated Commissioner to maintain in a secure place.

4.3 An account book shall be kept with all petty cash repository and every deposit to or removal from, petty cash shall be noted and signed for, stating the purpose of each, along with a receipt or copy thereof. The petty cash log shall be entered into the books quarterly or more often as may be required to bring all accounts current, with appropriate entries by purpose categories in the books, utilizing petty cash as a separate cash account. Replenishment of petty cash shall also be recorded in the books of the District and satisfied by a check for that purpose only.

SECTION 5. BANK ACCOUNTS

5.1 The District shall maintain a Checking Account for Operating Funds funded by property tax receipts, and a separate Checking Account for Water Funds funded by payment of water charges.

5.2 In addition, the District may establish such other bank accounts as may be appropriate from time to time as authorized by the BOC for the unassigned fund balance, or by warrant articles, including

special reserve, escrow, savings, or other accounts. Each such account shall clearly state its purpose in its title as shown on all statements and be entered into the Chart of Accounts.

5.3 No transfers shall be made between accounts without the prior written authorization of the BOC, and not without recording and reporting the purpose of all such transfers within each affected account, in no case shall transfers be made which violate RSA 38:29, or be used to cover insufficient funds in either the Water or General Funds by transferring funds between them.

5.4 The Treasurer shall carry out the duties required by RSA 41:29, including but not limited to the following:

- a. Be responsible for providing a written report of all transactions to the BOC on a monthly basis, or more frequently as requested, with a full explanation of the purpose and necessity of any such transactions.
- b. Ensure bank accounts are maintained at a properly insured institution which has the expertise and capability of maintaining accounts used by municipalities within New Hampshire, with such restrictions and requirements as may apply to be so qualified.

5.5 In addition, the District may establish such capital improvement reserves, special purpose reverses or surplus accounts as the BOC deem appropriate, which may be maintained in accordance with the requirements of applicable investment policies and RSAs; unless otherwise ordered by the BOC, such finds shall be invested through the Town of Webster Board of Trustees in satisfaction of the District's responsibility to establish investment policies.

SECTION 6. BOOKS AND ACCOUNTS OF THE DISTRICT

6.1 All books, accounts and other records of financial transactions, assets and liabilities of the District shall be maintained in compliance with the applicable laws, rules and orders of the Department of Revenue Administration including but not limited to:

- RSA 21-J: 13, IV, which provides that the Commissioner of Revenue shall adopt rules relative to: "uniformity of municipal accounts through a standardized chart of accounts under RSA 21-J: 17."
- RA 21-J:17, which provides that "(t)he accounting officers of the several counties, cities, towns, school and village districts, and their departments, shall keep uniform accounts;"
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6.2 Records of all financial transactions shall be maintained by means, among others, of an accounting software which is capable of establishing a Chart of accounts, categorizing deposits and payments, and issuing reports including current balances, reconciliations with bank accounts, period

reports of monies received and paid, accounts payable and where appropriate, accounts receivable, as well as reconciling expenditures to budget goals.

SECTION 7: LOANS

7.1 The District through its BOC may contract to borrow any sum of money otherwise lawful, consistent with District purposes; including by municipal bond financing, application for state or federal loan funds, or by commercial borrowing, so long as such borrowing is approved by the voters where required by law.

7.2 Such debt shall be classified as either long-term or short-term debt in the books of the District and any repayment obligations under such debt shall be scheduled and included within the books of account such that each payment due shall appear on the report of accounts payable.

7.3 The District may negotiate and borrow on the basis of tax anticipation notes or other line of credit for revenue shortfall periods without prior voter approval under RSA 33:7.II as authorized by 2003 Warrant Article 4, but such debt must be repaid within 60 days of receipt of adequate regular revenues.

SECTION 8: DUTIES OF THE BOARD OF COMMISSIONERS

8.1 The District Board of Commissioners (BOC) shall supervise and direct the District Treasurer, and all other officials, employees, agents, or agents of the Districts to ensure that the District maintains "a fair and correct account of all moneys received, all accounts and claims settled and all orders drawn by the BOC, and of all their other financial transactions on behalf of the District" as required by RSA 41:9, III the BOC shall be entitled to delegate their responsibilities the District Treasurer without relinquishing overall responsibility for financial affairs.

8.2 The BOC are responsible for the financial affairs of the District; and the Treasurer shall not act unless as specifically required by law, without the express prior authority of the BOC, in deviation as to any of the policies and procedures set forth herein.

8.3 The BOC shall ensure that the Treasurer makes regular reports of the District's receipts and disbursements to District residents as least monthly, which shall be in writing unless otherwise excused.

8.4 The BOC has determined what obligation should be paid or not, in accordance with cash flow, anticipated revenues, and prudent business practices; and the Treasurer shall execute any resulting payment order or manifest as provided in RSA 41:29,1.

SECTION 9: DUTIES OF THE TREASURER

9.1 The District Treasurer shall have custody of all monies belonging to the District, and shall pay out the same **only** upon orders of the BOC in a public meeting or by a no contemporaneously signed manifest signed by a majority of the BOC pursuant to RSA 41:29.1. This requirement shall apply to transfers between accounts held by the District. The Treasurer shall execute checks for all payments ordered by the BOC to be made.

9.2 In general, all compliance with RSA 41: 29.III, the Treasurer shall keep suitable books and correct account of all sums received into and paid from the District, and of all notes given by the District, with the particulars thereof, At the close of each fiscal year, the Treasurer shall make report to the District and to the Department of Revenue Administration giving a particular account of all his or her financial transactions during the year and account balances at year's end.

9.3 The Treasurer shall furnish to the BOC statements from the treasurer's books, and submit the books and vouchers to them and the District's auditors for examination, whenever so requested pursuant to RSA 41:29 and shall cooperate thereafter in effecting the completion of audit applicable for the time period for which the treasurer served in office. The form of such information to the BOC shall be in addition to written reports if requested, consist of printed reports from the accounting software which shall include standard reporting such as balance of accounts, reconciliation reports, reports of period monies paid and received by account, category or other designation, and copies of bank statement.

9.4 The Treasurer shall be responsible to provide such written reports, as instructed by the District's BOC, at each regular BOC Monthly Meeting to inform the public of the status of the District's cash balances.

9.5 The Treasurer shall be responsible for keeping all checkbooks and accounts reconciled using bank statements and other available information on a least a monthly basis.

9.6 The Treasurer shall be responsible to immediately report any discrepancy, in reconciliation, by insufficient fund notice, or similar circumstances to the BOC.

9.7 The Treasurer shall be responsible for entry of all payables within a reasonable time after receipt to be able to furnish a true and reliable accounts payable report each month, or more frequently upon request of the BOC. This report shall include all incoming obligations whether invoiced or not, if they are known and can be reasonably estimated, as well as scheduled payments under any debt owned by the District. The BOC shall be kept fully informed as to current account balances in addition to current information as to the schedule of obligations.

SECTION 10: REIMBURSEMENT POLICY

10.1 Sum advances by the BOC or other district official on behalf of the District for purchase of supplies, items or as paid expenses of the District, shall be reimbursed upon presentation by the individual of a check request accompanied by originals, or copies if originals are not available, of all receipts or proof of purchase.

10.2 No person, except for the BOC, are authorized to advance such costs or expenses without prior approval of the BOC. Amounts to be advanced by other District officials for less than \$250.00 may be pre-authorized by one Commissioner. Amounts of \$250.00 or more must be preauthorized by the majority of the BOC. Advances made on behalf of the District are to be limited to those circumstances where urgent circumstances or efficiency make it reasonable, or for cash purchases where the total amount cannot be precisely calculated, such that issuance of a check directly by the District is impractical.

SECTION 11: AUTHORIZATION OF EXPENDITURES

11.1 In the case of necessary and reasonable expenditures which represent unanticipated expenses or amounts not reset by contract, and which are not regular vendor billings, the Treasurer is empowered to make or authorize such expenditures within the approved budget. However, where the amount to be incurred exceeds, \$500.00, the Treasurer shall receive the further approval of the majority of the BOC.

11.2 The District may also request the voters at each annual meeting to authorize establishment of a contingency fund pursuant to RSA 52.4-a for unanticipated expense.

SECTION 13: OTHER APPROAL PROCESSES

12.1 All Reconciliation Reports, which shall be done periodically for bank statements, and as otherwise may be required, shall bear the signed approval of the Treasurer; or in the absence of Treasurer the joint signature by two Commissioners.


12.2 All invoices shall be pre-approved by the Treasurer acting under his/her direction to indicate approval, date and payment fund, as representing that the invoice is complete and duly received in the course of business for the District. If not available or are vacant positions, this function may be fulfilled by a Commissioner designated by the full Board of Commissioners.

SECTION 13. PAYMENT TO COMMISSIONERS OR OTHER OFFICIALS.

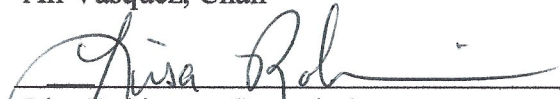
13.1 Commissioners and other elected officials of the District shall be paid a quarterly stipend approved by the District as reflected in the District's Annual Meeting.

13.2 No commissioners or other elected District Official shall serve as employees of the District, except to the extent they receive stipends approved by the District's Annual Meeting.


Adopted by the Board of Commissioners on March 10th, 2021



Ali Vasquez, Chair



Lisa Robinson, Commissioner



John Goodwin, Commissioner