

Town of Wellesley

**Fiscal Year 2021
Budget Preparation Manual**



Finance Department

July 1, 2019

Budget Preparation Overview

Boards and Committees

The Town of Wellesley strives to provide excellent services to its citizens through its numerous elected and volunteer Boards and departmental managers. Each board/department has a mission statement and work plan which forms the basis for its annual operating and five-year capital request.

The Town has long valued its fiscal strength, stability, and financial leadership, as evidenced by its continually maintained Aaa bond rating, multi-year financial awards, formal reserve and investment policies, and commitment to funding its past service liabilities (Pension, OPEB). The Board of Selectmen is charged with bringing forth a balanced annual town-wide budget (in addition to articulating a longer term town-wide financial plan (TWFP)) that maintains this fiscal strength. Guidelines are an important method of allocating the resources available after providing for long-term financial responsibilities.

The current method of allocating available resources begins with the Board of Selectmen's review and analysis of current revenues and revenue enhancement opportunities presented by the Finance Director. After factoring in fixed costs, such as issued debt and past service liabilities, the Selectmen develop budget guidelines to help allocate remaining available funds to all of the departments. Each Board is expected to develop a budget falling within guideline. New initiatives and costs beyond guideline will be discussed and further evaluated by the Advisory Committee and the Board of Selectmen during the budget cycle. Other funding mechanisms (such as an override or debt exclusion) may ultimately be proposed if a critical initiative cannot be funded within the current year's resources.

Under the Town's bylaws, the Board of Selectmen is responsible for coordinating the annual budget submissions for all boards; coordinating the timing of capital requests and determining methods for financing capital needs; estimating available revenues; and developing the Town-Wide Financial Plan and Five-Year Capital Budget Program. In order to accurately create (1) the "Sources and Uses" format required by Article 19.16.1, (2) the Town-Wide Financial Plan, and (3) the Five-Year Capital Budget Program, the Finance Department, under the direction of the Board of Selectmen and Executive Director, has developed standard formats for receiving departmental requests. The format includes a departmental narrative outlining departmental responsibilities and current objectives with emphasis on current year needs, a revenue summary, and detailed operating budget requests showing a four-year history. The Finance Director, under Article 19.42 c of the bylaws assists "in the development of budgets and reviewing all budgets for format, completeness, and accuracy before submission to the Advisory Committee".

Budgetary Fund Structure

The Town maintains 26 different funds, structured according to the Uniform Municipal Accounting System (UMAS) developed by the Department of Revenue of the Commonwealth of Massachusetts. The complete structure is described in the Town's Comprehensive Annual Financial Reports (CAFR), but the basic framework includes the general fund, ten special revenue funds, three Enterprise Funds, three capital project funds, a stabilization fund, three trust funds, three agency funds, a debt fund, and a fixed asset fund. The Retirement system is a separate entity government by an independent board.

The internal general fund (versus the full accrual external financial statement general fund) is maintained on a budgetary basis and the annual budget process is generally one of creating and approving the general

fund budget. There are limited one-time revenue sources from other funds. More likely is the transfer of annual appropriation (expenditure) in the general fund budget to reserves such as the stabilization fund, Other Post- Employment Benefits (OPEB) Fund, or Worker's Compensation reserve. There are minor transfers to offset general fund administrative costs in support of the three enterprise funds, but these funds are primarily funded through utility rates.

The Town has adopted legislation allowing an additional 1% community preservation tax surcharge and some of these funds are appropriated annually to fund capital projects. In addition, several of the major capital projects are funded by debt that is excluded from the constraints of Proposition 2 ½ tax limits, which acts as a wholly independent revenue source.

The detailed Sources and Uses budget document provides considerable detail about the components of the annual "Omnibus" budget.

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Application of Operating Budget Guidelines

Introduction

Operating budget guidelines are established by the Board of Selectmen in early Fall for the upcoming fiscal year. The Selectmen make this determination after evaluating the Town's financial position as presented by the Finance Director, and with input from other boards and committees regarding their anticipated priorities. In recent years there has been a separate budget guideline for school and non-school departments, but this may not always be the case. Guidelines are also provided for operating expenses and may or may not be the same as for personal services.

All departments must create budgets that meet the stated guidelines after all factors (contracts, steps, longevity, merit pay, etc.) are taken into consideration. For FY21 the Board of Selectmen have set the operating budget guideline at a 3.5% increase in the School department budget, and a 3.5 % increase in all other Town budgets. Departmental initiatives that cause requests to exceed guideline should be quantified and vetted during the budget cycle discussions. The Board of Selectmen may or may not support initiatives that cannot fit within the guidelines.

1.0 Personal Services

1.1 Overview

There are five types of employees to consider when calculating wages increases for the upcoming year.

- 40-series employees who typically receive a set percentage increase, recommended by the HR Board, which is based upon analysis of market conditions.
- 50/60 series employees who are compensated through a merit pay plan which is administered and appropriated by the Human Resources Department.
- Unionized employees – there are 13 town and school unions which have agreements that specify the percentage Cost of Living Adjustment (COLA) received by these groups each year.
- Contract employees – Executive level positions whose compensation is set by their respective Board.
- Non-union unclassified positions – positions are generally part-time, temporary and or seasonal positions. Wage increases for these positions are developed through a request made by a department head to the Human Resources to set a wage schedule for the ensuing fiscal year.

1.1.1 Budget templates

Locate the department's operating budget template. Each year, Finance updates the basic information on the templates and places them on the H-drive under the "FIN" folder. This allows department heads and their boards to spend more time budgeting for the fiscal year instead of changing formatting details and entering previous year actuals. From there, find the folder labeled "FY21 Operating Budgets" and locate the department's template under either the "Selectmen" or "Non-Selectmen" sub-folder. Please make a copy of that excel file and save it to your personal F or G drive. The template is made up of three tabs: Salaries, Personal Services & Expenses, and Summary. In these three tabs, the salary tabs links to the PS&E tab, which links to the summary tab. Updating the salaries on the salary tab and the expenses on the PS&E should be enough to link your items correctly. It is important to check the template and calculations to ensure all the items are linking correctly once you have finished working. Do not forget to periodically save the template while updating it. This will prevent any changes from being lost.

1.2 Pay Weeks

Please keep in mind that you must budget for a varying number of work weeks each year. In FY21, you will need to budget 52.2 weeks of pay in your operating budget. From year to year this number changes, so please ensure that your operating template reflects the correct number of weeks. To the right you will see the work weeks that will be used in the operating budgets for the next four years. In the operating templates that Finance updates initially, this calculation should already be completed. However, it is the responsibility of department heads to ensure that this is correct before submitting the budget. If you wish to check that the formula in your template is correct, you can view the work week multiplier in the total column on the salary tab of your operating budget document.

FY20	52.4
FY21	52.2
FY22	52.2
FY23	52.2

1.3 Employee Job Classes

As outlined in the overview, there are five main types of employees in the Town and each group has special budgeting requirements. The requirements are detailed below:

- 40-series employees are the hourly clerical “town” staff. The amount of increase for these employees is determined by the Human Resources Board and the percentage increase will be communicated to all departments by Finance once the guidelines are finalized. This salary increase amount remains in department operating budgets throughout the budget process and is never removed. These employees may be eligible for longevity increases as well. Please consult the (40 Series) longevity table to the right and add longevity increases to the budget where appropriate.

<u>Years of Service</u>	<u>Amount</u>
30 or more	\$ 800.00
25-29 years	\$ 700.00
20-24 years	\$ 600.00
15-19 years	\$ 500.00
10-14 years	\$ 300.00

- 50/60-series employees are salaried “town” staff eligible for increased compensation through the merit pay plan, based upon the result of their annual performance review. The HR Board recommends a pool of funds for fiscal-year merit bonuses, usually as a percentage increase in payroll costs. Because the results of performance evaluations are unknown at the time the budget is created, departments must factor into their calculations providing this increase for their eligible employees. After budgets are turned in, the Finance Department removes the funds from these budgets and appropriates a like amount in a separate article at Town Meeting. This process enables all relevant parties to see the estimated true cost of employee salaries.
- Unionized employees receive their compensation based upon their respective union agreement with the Town and Schools. All COLA, steps, lanes, certifications, stipends, longevity and any other benefits associated with the contracts must be calculated in the operating budget submission. Some bargaining agreements also have mid-year steps that departments will have to budget for as well. These amounts remain in the operating budget through the process and are not accounted for separately.
- Contracted employees There are six “town” employees under contract (Executive Director, Finance Director, Police Chief, Deputy Police Chief, Fire Chief and Assistant Fire Chief) as well as a number of School department personnel. Estimated increases for these positions must be built into the operating budget and the increase does not get removed. Departments must include monies for this purpose based either on the language of the employee’s contract, or on what the Board estimates might be an increase in compensation for the ensuing year.
- Non-Union Unclassified Positions are generally hourly part-time, seasonal or temporary hires. Examples of such positions include recreation seasonal staff, crossing guards, part-time “on call” staff and per diem employees. Department heads should contact the Human Resource Director to discuss hourly rates and wage schedules as part of the budget development process.

There are several other points to consider in budgeting for personal services:

- Unsettled union contracts: Union contracts are typically three years in length, and because they expire on a fiscal-year basis, it is very likely that they will not be settled and the COLA will not be determined prior to development of the 2021 budget.
- Effective July 1, 2019, the School contracts are settled (2020 through 2022). The Town contracts expire on 6/30/20. To provide for Town union contract settlement costs, the department head must work with the Executive Director, Finance Director, and Human Resource Director to determine what the estimated amount should be and this amount will be calculated and maintained in a central pool under the Board of Selectmen (not in the departmental budget). The estimated settlement funds are used to help Advisory evaluate compliance with guideline, but estimated funds are held separately and not appropriated to the department. The salary estimate will be appropriated separately in another warrant article so as to not impact the Town's bargaining position with its unions. When the new fiscal year begins, the Finance Department will make the adjustment to add the needed funds to that department's operating budget.
- In an unsettled contract year, the guideline for salary COLA increases is zero. Only existing step progressions or longevity terms should be budgeted.
- The School contracts are settled, so the salary increases should be budgeted in the School budget

1.4 Vacant Positions

If positions have remained vacant for several years, the Department Head should reevaluate whether or not the position is still necessary. If it is determined that the vacant positions are still needed, Departments are encouraged to budget vacant positions at the **mid-point** of the salary range. If a department had a long-time employee who was at the top of the range in their job class and has recently retired, replacing the position with a less senior employee may generate a savings. As the salary tables are created by the Human Resources Department, and are based on comparable industry standards, this method of budgeting allows for fair compensation of employees while helping control the growth rate in a department's budget.

1.5 Salary Tab

The salary tab of the operating budget is where all of the personal services calculations will be entered. Please list all employees by name and title. Then show each employee's current year weekly salary followed by his/her starting weekly salary amount in the budget request year. Itemize any additional stipends and add to a total weekly pay amount. For union or 40 series employees who have a mid-year step, list their new weekly mid-year amount, followed by their stipends and add to a total weekly amount. For those who do not have mid-year steps, simply take the weekly amount and multiply that by the number of the pay weeks for that fiscal year. If there is a mid-year step, it will be necessary to calculate how many weeks the employee will be at the first weekly salary and how many weeks at the second weekly salary to come to a grand total for the fiscal year. The examples below show a regular 60-series employee with no stipends or steps followed by a union employee with an education stipend and a mid-year step increase. Please also keep in mind that 40-series employees and union employees are eligible for a step increase six months after they begin working for the town. This six-month anniversary then becomes the one-year anniversary for subsequent step increases.

Job Title Employee Name	FY19 Rate as of 6/30/19	Group - Step	FY20 Starting Rate 7/1/2019	Ed. Stipend	Weekly	Group-Step	Step Rate	Ed. Stipend	New Weekly	Total Budget Request
Municipal Zoo Director Don Duquette	\$ 2,200.00	62	\$ 2,244.00	N/A	N/A	N/A	N/A	N/A	N/A	117,586
Municipal Zoo Coordinator Anthony Tigre Date of hire 6-1-18	\$ 1,000.00	Z50-1 7-1-18	\$ 1,020.00	\$ 15.00	\$ 1,035.00	B40-2	1,040.40	15.00	1,055.40	54,764

1.6 New Employees

Requests to add new employees generate additional costs and therefore require additional procedures. First, the Human Resources Board must approve any new position by December 1st. This process allows enough lead time for HR to evaluate the position, prepare job descriptions and go through its internal process. The Human Resources Board encourages any department contemplating a new position to begin the process as early as possible in the budget season. The **Human Resources Board's process** includes discussing the need for the position and approval of the final job description; by doing so, the Board sets the grade for the position which dictates the salary range to which it is assigned. Second, the Advisory Committee must be provided sufficient time to review the new position request. Lastly, once the new position is approved, the position must be added to the operating budget with an extra \$20,000 to show the true cost of a full-time benefited employee. The \$20,000 budget was developed several years ago to account for all of the benefits provided to a full-time position. The assumptions include various insurances: (family health plan, long-term disability, life, dental insurance and worker's compensation) as well as Medicare taxes. For employees less than full-time, please provide a prorated benefits cost. The benefited amount, along with merit pay, **will be removed from the department budget** prior to Town Meeting and budgeted with other benefit costs. However, operating budgets must be evaluated versus guideline with benefits included in the department total.

In order to assist departments with planning for a new position, a new form has been included (Appendix B on page 15) which should be used to project work space and tools needed by a new employee. Examples of this include: a new computer, phone, office supplies, and anything else relevant for that employee to complete his/her specific job. This form should be completed, signed by the department head or board chair, and submitted with the operating budget. It is pre-populated with typical items and average costs. The items listed on the new employee form should also appear in the operating budget in both the personal services and expense part of the budget request. This form can be found in the H-Drive under the "FIN" folder then "Forms" subfolder.

2.0 Expenses

2.1 Overview

The expense part of the budget can be found on the middle tab of the operating budget template titled "Personal Services & Expenses." On this tab, please add all the necessary items that are not related to salaries. This section includes office supplies, conferences, training and development, travel and anything else the department might need to fulfil its mission. The expense part of the operating budget has four parts in addition to the price for any line item: Munis Org, Munis Object, the account title, and the explanation. All of these pieces should be filled in for each item in the expense budget. Please research costs by calling vendors and evaluating past expenditures to develop a defensible budget. Departments should also be prepared to answer questions from Advisory and provide calculations and backup for specific line items.

2.2 Categorizing Expenses

Expenses should be placed with the corresponding account title and explanation. The account title relates to the Munis Org and Object. For most departments, generic expenses have been set up in Munis and many of the account titles will already be there. However, some departments may have unique expenses that do not fit in with existing Munis codes. For example, a department may have to purchase paper bags for an initiative. Such an item would not appropriately go under office supplies or any other Munis code description. Therefore, it is recommended that departments work with Finance to determine when it is appropriate to have new accounts created. Finance will create new Munis codes if the situation merits it. Please see Appendix A on page 14 for a list of commonly used expense charge codes. When adding a new expense line, please refer to this list to see what is available. The Explanation part of the budget is more of a free-text field where details can be given about the specifics of a line item request. The Munis description “Conferences” can list specific conferences that the staff of a department is planning to attend in the coming year. Please provide as much specificity as possible to better inform those who review the departmental budgets.

2.3 Centralized Expenses

Gas and Utility costs are centrally managed and budgeted by the Facilities Management Department. Fuel costs are managed by the Department of Public Works. The Executive Director’s office prepares centralized Legal, Liability Insurance, and Compensated Absences budgets. Each year, Human Resources will disseminate the updated IRS per-mile employee reimbursement rate to be used when estimating annual mileage. Employee benefit costs such as Health Insurance, the \$20,000 “benefit assessment “ for adding a position, Unemployment, Medicare, Pension, and OPEB are budgeted centrally.

2.4 Budgeting for IT Equipment and Services

The IT Department (ITD) budgets for maintenance and upgrades to enterprise systems used Town-wide (e.g. MUNIS, MS Office, and GIS). Following conversion to a new VoIP telephone network in 2015, budgets for basic telephone service were also consolidated into the ITD operating budget. In FY18, ITD developed a preventative maintenance schedule and now budgets centrally for the replacement of all existing PCs physically connected to the Town’s data network. Laptops, printers, scanners, phones, and other software or equipment that are specific to a department’s mission should be budgeted by those departments in the account numbers listed below. ITD will work with your department during the budget planning process to establish an appropriate equipment replacement schedule for those items and discuss future needs. All new software and equipment purchases for non-School departments must be made through/by ITD to ensure compatibility with existing systems, and to establish a single point of contact with vendors for billing and technical support.

- **530800** (Computer Software Services), **534080** (Software Licenses), **542060** (Software) – Include licensing, subscription, and maintenance/support contracts for software used exclusively by your department (e.g. AutoCAD, RecTrac, MySeniorCenter, Quickbooks, etc.)
- **534020** (Telephone), **534050** (Telecommunications), **534055** (Cable and Internet) – Include monthly charges for internet or wire-line telephone service from Comcast, Verizon, or another provider. Also include any expenses related to wireless/cellular phone service.
- **543030** (Computers Maintenance), **543040** (Equipment Maintenance), **583030** (Technology Equipment) – Include new printers, laptops, tablets, scanners, projectors, routers and other

accessory devices that support your Department's mission. Costs will vary greatly by use/configuration and ITD will work with you to obtain quotes for budgeting purposes.

2.5 Encumbrances

When updating the column on the expense tab that represents the most recently completed year, please update the encumbrance amount at the bottom of that column. The total encumbrance amount for the most recent completed year should be what was actually spent the following year, not the grand total that was encumbered. For example, for the FY21 budget request submission, the most recently completed year would be FY19. The total encumbrance to be updated in FY19 would then be what was actually spent in FY20, not the total amount that was originally encumbered. Therefore, if \$500 was originally encumbered from FY19 but only \$400 was spent, \$400 would be recorded in the FY19 column.

3.0 Narratives

3.1 Narrative Overview

All departments must submit narratives to the Advisory Committee and the Finance Department with the budget requests. The narrative is a department's opportunity to discuss the mission of the Board or Department, past initiatives, current initiatives, future goals, benchmarking, relevant statistical data, and any other aspects that might be of interest to Advisory and the public. The department narrative is where a department should outline current challenges and demonstrate why funding above the guideline is necessary, if applicable. The narrative of each department should be formatted to include the following sections: Mission, department overview/organizational structure, highlights from the past year, upcoming year goals/initiatives, long term goals/initiatives, personal service budget summary, expense budget summary, revenue chart if applicable, and a section explaining why a department needs more resources or cannot comply with guidelines (if necessary).

3.2 Mission Statement

The Mission Statement section of the departmental narrative should describe the department's purpose, the services it provides, and manner in which services are to be delivered. Well-crafted Mission Statements can be communicated at a high level and don't necessarily need to be lengthy.

3.3 Organizational Structure

The department overview/organizational structure will describe the leadership and reporting structure of the department, responsibilities of the various positions, and will include the number of employees.

3.4 Previous Accomplishments

In this section, the department should discuss goals and initiatives completed during the past year and how those achievements have benefitted the Town. This space can be used to describe completed projects and their impact, studies that were completed, new programs that were rolled out, and any other relevant statistics or items of interest.

3.5 Department Goals

The next section should describe what the department wishes to accomplish in the coming year. This should include new programs, projects, initiatives, and goals along with how these items will benefit the Town. Should any of your goals result in a financial impact to another board or department, please be specific about the operational and financial impact.

3.6 Warrant Article Requests

Please give consideration to other initiatives that are not typically included in an operating budgets or the capital budget for which you are considering making a request. These might either be cross-departmental projects, or isolated items for which funds are needed next year. Please include a list of the items and the project budget required so that they can be included as we determine the total amount of funds to be requested at Town Meeting and the ability to finance them.

3.7 Operating Budget Summary

The next two sections should be summaries of the personal service and expense budgets. Departments should describe any special situations that make up their personal service budget (contract employees, union agreements, mid-year steps, etc.) and provide detail on any new staffing requirements. The expense budget section is the opportunity to speak about initiatives that are driving costs and any other details that might raise questions from Advisory or the Board of Selectmen (conferences, mileage, new expense items, etc.). Additionally, departments should explain what is driving their expense budget if the expense budget is not within guideline.

Beginning in fiscal 2021, budget requests should break the budget into several components so that Town Budgets are characterized similar to Schools: The **Base Budget** is the budget for existing staff, including contractual increases, and existing expenses with expected escalation. The **Level Service Budget** would include any services associated with a new law or mandate. **Strategic Plan Budget** items are new costs to help achieve that plan. **Unified Plan** items are new operating costs to implement programs that have been prioritized in the Unified Plan as a multi-departmental effort. **Critical needs** costs encompass new operating costs that benefit the departmental operation and do not fall in other categories but are deemed by the department to be essential for operation.

3.8 Revenue Explanation

As part of departmental operations, some departments collect payments for various services or programs. All departments that take in revenue of any kind should create a section in their narratives devoted to an explanation of those activities and a revenue chart showing the total amount of money collected for the last three completed years, a year-to-date total for the current year, and an estimate for the coming year.

Existing departmental revolving funds should be listed and any newly requested funds should be highlighted. New revolving funds must be supported by new revenue sources, rather than redirecting existing resources.

3.9 Out of Guideline

The final section of the operating budget narrative provides the opportunity, if necessary, for the department to request more resources and explain in further detail why it cannot comply with guidelines. To clarify, out of guideline is defined as the percentage increase in a budget being higher than a 3.5%

increase in “Town” budgets and a 3.5% increase in School budgets from what was approved in FY20, including, **in the new year only**, the \$20,000 benefit provision for any proposed new employees. In this section, departments will make their case to the Board of Selectmen and Advisory if they are requesting additional staff, unplanned capital, or increases in expense budgets that push their budgets over guidelines. The total financial impact of this ‘over guideline’ initiative should be clearly quantified. Much consideration should be given to this section so that the requests being made by the department are clear. All sections of the narratives should be written so that a person who has no familiarity with municipal government can understand what is being described. This reduces the number of questions relevant parties might have and makes for a much less complicated request process.

Capital Budget Process

Boards submit a detailed five-year capital plan annually, and they should take care to include all of their anticipated capital needs, for that timeframe, including cash capital, and projects financed by debt or any other source. Capital requests should support the department’s strategic direction, and the financial and operational impact of each requested capital purchase should be quantified. Because financial resources are limited, boards are asked to internally prioritize capital needs and should fully research the cost of each item to better inform the discussion of which projects should be funded in a given year. Doing a thorough job of analyzing capital needs can help avoid sudden unanticipated requests in the current budget cycle, and greatly aids the financial planning process.

The Board of Selectmen has adopted a policy allocating between 6.2% - 6.8% of budgeted (inside the levy) revenues for combined capital and debt service expenditures as the appropriate level for maintaining assets, while avoiding operating overrides or compromising operating budgets. A number of meetings were held last year to evaluate different methods of prioritizing capital projects. In the end, department heads were comfortable with discussing their needs with the Executive Director and Finance Director and accepting guidance as to the timing of projects - making reductions or deferring projects as requested.

The threshold for cash capital items is \$10,000. During fiscal 2021, the Finance office will support the effort to move small items and appropriate larger recurring costs into the operating budgets and will work with individual departments to aid in this transition.

For Departments that include vehicle purchases in their capital requests, the SEC asks that you consult the Town’s [Fuel Efficient Vehicle Policy \(FEVP\)](#). For “non-exempt” vehicles, as defined in the FEVP, all departments/divisions shall purchase only fuel-efficient vehicles for municipal use whenever such vehicles are commercially available and practicable.

Capital request forms have been included. Please prioritize. Quotes and pictures are extremely helpful.

Budget Submission Timeline

- July 1, 2019 Fiscal Year begins
- July –Preliminary smaller group discussions between BOS Chair, Vice Chair, largest departments, Advisory, and Finance on 2021 budget needs. BOS and School Committee Chairs and Vice Chairs begin bi-weekly meetings
- August 13th - Finance Director updates BOS on FY2019 results
- August 28th --- Finance Director and BOS Chairs to Advisory with FY2019 update
- September 9th – BOS Begins FY 2021 Budget guideline discussions
- September 16th – BOS continues guideline discussions
- September 19th -- Inter-board Meeting- Operating guidelines and capital planning discussions
- September 24th – FY2021 Operating Budget guideline finalized
- September 27th – Operating budget manual & forms distributed; capital forms distributed
- October 10th – HR provides guidelines for 40/50/60 series
- October 18th – Capital budget requests submitted to Finance from all departments
- November 4th – Town-wide FMD Capital update
- November 15th – Operating budgets due from Selectmen’s departments. Finance begins budget compilation
- November 18th – Open Annual Town Meeting Warrant
- December 2nd - Tax classification hearing
- December 3rd - Selectmen’s budget workshop
- December 2nd – Operating budgets due to Finance from non-school departments (early submissions encouraged)
- December 13th – Superintendent’s operating budget due
- December 16th – Determine budget gap & begin closing process
- December 27th – Warrant Closes
- January – School Committee votes School Department operating budget

Operating Budget Checklist

1	Review Guidelines
2	Obtain template from the H Drive under Finance
3	Save template to personal F or G drive
4	Save your template periodically as you work
5	Confirm that salaries are correct in the current year column on the salaries tab
6	Confirm that union employees and 40-series employees have the agreed to increases in the budget request year on the salaries tab
7	Confirm that the 50/60 series has the correct estimate for the merit pay increase in the budget request year on the salaries tab
8	Confirm that the "Total Salary Request" column on the salary tab is multiplying all employee salaries by the correct amount of pay weeks
9	Confirm that all employees who are eligible for longevity by July 1st of the current fiscal year have their longevity budgeted on the salary tab
10	Confirm that the actuals are correct in the previous fiscal years on the Personal Services and Expense tab (PSE)
11	Confirm that the current year budget column is correct on the PSE tab
12	Confirm that the formulas are correctly pulling the salaries from the salaries tab into the budget request column on the PSE tab
13	Confirm that the "Variance" columns are correct for personal services on the PSE tab
14	Confirm that the personal service subtotals are correct on the PSE tab
15	Enter expense requests in the budget request year column on the PSE tab
16	Confirm that the "Variance" columns are correct for Expenses on the PSE tab
17	Confirm that the Expense subtotals are correct on the PSE tab
18	Confirm that the encumbrance request amounts are correctly in the years they were spent in on the PSE tab
19	Confirm that the "Department Total" are correct on the PSE tab
20	Confirm that all totals on the "Summary Schedule" tab are correctly flowing from the PSE tab by the descriptions on the left side of the page
21	Confirm that the Subtotal for Personal Services and Expenses is correctly adding from the information above it on the Summary Schedule tab
22	Confirm the "Total" at the bottom of the Summary Schedule tab is correctly adding the two subtotals on that page
23	Confirm the Permanent Staffing totals at the bottom of the Summary Schedule tab

Capital Budget Checklist

1	Review Procedures
2	Obtain template from the H Drive under Finance if template was not sent to you directly
3	Inform Finance if you need assistance adding additional project tabs to your template
4	Save template to personal F or G drive
5	Save your template periodically as you work
6	Confirm that projects and dollar amounts from the previous fiscal years are the same and change them where necessary on the individual project tabs
7	Confirm that all project reference numbers and descriptions on the Summary tab match the project reference numbers and project descriptions on the individual tabs of your template
8	Confirm that all descriptions of current projects are still relevant on all project tabs of your template
9	Create and fill in any new project tabs on your template
10	Check that all the fiscal year total columns on all your project tabs link to the summary page in the matching fiscal year
11	Confirm that the formulas in the Total Capital Requests row and the 5 Year Total column are adding correctly on the Summary tab

Appendix A

Common Munis Expense Accounts

Object	Description
521030	FUEL OIL
524010	BUILDING MAINTENANCE
524020	VEHICLE MAINTENANCE
524030	EQUIPMENT MAINTENANCE
524040	OFFICE EQUIPMENT MAINTENANCE
524045	COPIER MAINTENANCE
524050	COMPUTER EQUIPMENT MAINTENANCE
524060	COMMUNICATIONS MAINTENANCE
524090	OTHER CONTRACTUAL SERVICES
527010	BUILDING RENTAL/LEASE
527030	EQUIPMENT RENTAL/LEASE
527050	COPIER MACHINES RENTAL/LEASE
527090	OTHER RENTALS/LEASES
530100	LEGAL SERVICES
530500	TRAINING AND DEVELOPMENT
530600	APPRAISALS AND SURVEYS
530700	ARCHITECTS AND ENGINEERS
530750	PROJECT MANAGEMENT SERVICES
530800	COMPUTER SOFTWARE SERVICES
530900	OTHER PROFESSIONAL SERVICES
534010	POSTAGE
534020	TELEPHONE
534030	ADVERTISING - GENERAL
534035	ADVERTISING - EMPLOYMENT
534040	PRINTING AND MAILING EXPENSE
534050	TELECOMMUNICATIONS
534055	CABLE AND INTERNET
534060	PHOTOCOPYING
534080	SOFTWARE LICENCES
534090	OTHER COMMUNICATIONS SERVICES
538090	OTHER PURCHASED SERVICES
541010	GASOLINE
541020	DIESEL FUEL
542010	OFFICE SUPPLIES
542020	COPIER SUPPLIES
542060	SOFTWARE
542090	OTHER GENERAL SUPPLIES
542110	UNIFORMS
542130	WORK CLOTHING
543010	BUILDING MAINTENANCE/REPAIR SUPPLIES
543030	COMPUTERS MAINTENANCE/REPAIR SUPPLIES
543040	EQUIPMENT MAINTENANCE/REPAIR SUPPLIES
543060	CUSTODIAL MAINTENANCE/REPAIR SUPPLIES
543090	OTHER MAINT/REPAIR SUPPLIES
545000	CUSTODIAL SUPPLIES
549095	PROMOTIONAL MATERIALS
554200	OTHER PURCHASED PRODUCTS
555160	SUPPLIES
566010	SALES TAX
566020	FUEL TAX
566030	MEALS TAX
571010	TRAVEL - MILEAGE
571110	CONF/MTGS - ADMINISTRATORS
571120	CONF/MTGS - PROFESSIONAL STAFF
571130	CONF/MTGS - SUPPORT STAFF
571140	CONF/MTGS - COMM/BOARD MEMBERS
573090	DUES - OTHER
583030	TECHNOLOGY EQUIPMENT

Appendix B

New Position Form

This form to be used when a Department is requesting a new position. Positions must be approved by Human Resources by December 1st, so please allow adequate lead time (check with HR). Once this is done, use this form to calculate the true cost of a new position by entering all the information requested below. Have your Department Head or Board Chair Person sign off on the completed form and submit this form with your operating budget.

1. Employee Job Title	2. Employee Job Class	3. Hourly Rate	4. Hours Per Week	5. Pay Weeks	Personal Services
					\$ -

New positions require \$20,000 standard benefit assessment

n/a

Subtotal Personal Services

#VALUE!

	Y	N	Amount	
6. Work Space for new Employee?	<input type="checkbox"/>	<input type="checkbox"/>	_____	Consult IT for wiring costs
7. New Computer for Employee?	<input type="checkbox"/>	<input type="checkbox"/>	_____	-
8. New Telephone for Employee?	<input type="checkbox"/>	<input type="checkbox"/>	_____	-
9. New Chair for Employee?	<input type="checkbox"/>	<input type="checkbox"/>	_____	Enter cost manually
10. Conferences	<input type="checkbox"/>	<input type="checkbox"/>	_____	Enter cost manually
11. Dues	<input type="checkbox"/>	<input type="checkbox"/>	_____	Enter cost manually
12. Travel/Mileage	<input type="checkbox"/>	<input type="checkbox"/>	_____	Enter cost manually
13. Misc Office Supplies for Employee?	<input type="checkbox"/>	<input type="checkbox"/>	_____	Enter cost manually

New Employee Grand Total

#VALUE!