

Financial Procedures & Policies

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1. Introduction & Guiding Principles

1.1 Purpose of the Manual

This Financial Policies and Procedures Manual is intended to provide the framework and guidance for managing the financial affairs of Sandy River Plantation, Maine. The policies outlined herein are designed to ensure accountability, transparency, compliance with all applicable laws and regulations, and the efficient, ethical, and responsible use of public funds and resources.

These policies apply to all departments, elected officials, appointed officials, and employees who handle municipal financial transactions or make decisions with financial implications.

1.2 Legal and Regulatory Framework

The policies in this manual are guided by:

- Maine Revised Statutes (Title 30-A and other applicable titles)
- Governmental Accounting Standards Board (GASB) statements
- Generally Accepted Accounting Principles (GAAP)
- Internal Revenue Service (IRS) and State of Maine tax regulations

Sandy River Plantation will ensure that financial practices remain in compliance with all evolving state and federal mandates.

1.3 Roles and Responsibilities

Board of Assessors serves as the governing body and municipal officers of the Plantation, responsible for financial oversight and statutory duties under Maine law, with duties including:

- Preparing and recommending the annual municipal budget for approval at Town Meeting, and authorizing any mid-year budget amendments as permitted by law.
- Authorizing expenditures through the issuance of warrants as required by law and policy
- Reviewing and adopting annual audit reports and financial statements
- Approving debt issuance and management plans
- Setting and adopting financial policies and procedures

Treasurer, assisted by the Deputy Treasurer, serves as custodian of all municipal funds and is responsible for the day-to-day financial operations, including:

- Safekeeping and disbursement of municipal funds in accordance with policy
- Ensuring compliance with cash management, investment, and warrant authorization policies
- Preparing and presenting financial reports to the Board of Assessors
- Overseeing payroll, accounts payable, and bank reconciliations
- Maintaining accurate financial records and supporting documentation

Clerk/ Executive Secretary to the Board of Assessors has administrative and support responsibilities, including:

- Assisting in the preparation and distribution of meeting agendas, minutes, and financial documentation
- Maintaining official records of financial policies and Board actions
- Coordinating communications between the Board, Treasurer, and other municipal staff
- Supporting the Treasurer with administrative tasks

Municipal Staff and Volunteers

- Follow all policies and procedures outlined in this manual
- Maintain accurate records and submit required documentation timely
- Report any discrepancies, irregularities, or concerns about internal controls or fraud immediately to the Treasurer or Board of Assessors
- Participate in training or policy updates as needed or directed

1.4 Overview of Internal Controls

Internal controls are essential to safeguarding municipal assets, preventing fraud, and maintaining financial accuracy. Sandy River Plantation is committed to maintaining strong internal controls. A summary is provided here, with detailed policies outlined in Section 11.

- Segregation of duties to reduce risk of error or inappropriate activity
- Regular reconciliation of bank accounts and financial records
- Secure handling of cash, checks, and credit card payments
- Clear documentation and authorization trails for all transactions
- Routine monitoring and audits, both internal and external

All financial functions shall be properly documented and carried out to prevent unauthorized activity, ensure data integrity, and uphold public trust in the Plantation's financial management

2. Budget Policies and Procedures

2.1 Budget Development and Approval Process

The municipal budget is the Plantation's legally authorized financial plan for each fiscal year, developed in compliance with Maine Revised Statutes Title 30-A, §§5721–5776. Sandy River Plantation's budget process is designed to be transparent, participatory, and to ensure the responsible use of public funds.

The objectives of the budget are to:

- Align financial resources with community priorities and statutory obligations
- Ensure fiscal sustainability and operational efficiency
- Provide transparency and public accountability

The annual budget process typically follows these steps:

- The Treasurer and/or Clerk, in consultation with the Board of Assessors, prepares budget recommendations based on prior year expenditures, current needs, and projected revenues.
- Budget input for specific municipal functions (e.g., roads, office operations, public safety contracts) may be gathered from contractors, committees, or relevant staff.
- The Budget Committee, elected by Plantation voters, holds public meetings to review the proposed budget and make formal recommendations.
- The Board of Assessors holds additional public meetings to review, amend, and finalize the budget.
- The residents of the Plantation vote on the final budget at the Annual Town Meeting, which serves as the legislative body's approval under Maine law.

Budget Structure

- General Fund (Operating Budget)
- Capital Projects Fund (for planned infrastructure and equipment investments)
- Special Revenue or Grant Funds (if applicable)

The budget is adopted by individual warrant articles at the Annual Town Meeting. Each article represents a separate appropriation. Expenditures must be managed within the voter-approved amounts. Any overages or reallocations require additional Town Meeting approval, unless previously authorized by a standing article or state law and approved by the Board of Assessors.

2.2 Budget Calendar

A consistent annual calendar helps ensure timely preparation, review, and adoption of the municipal budget. Sandy River Plantation follows the general timeline below, which may be adjusted annually by the Board of Assessors based on operational needs or statutory requirements.

Milestone	Timeframe
Mid-Year Budget Review (Current FY)	Late December
Initial Budget Draft by Treasurer & Clerk	Mid-January
Budget Committee Begins Review	March–April
Joint Workshops with Board & Budget Committee	March–April
Optional Public Meeting(s)	May (if necessary)
Final Budget Adoption by Town Meeting	3rd Saturday in June
Fiscal Year Begins	July 1

2.3 Amendments and Transfers

Budget Amendments

Budget amendments that increase total appropriations or reallocate funds between major budget categories or warrant articles require formal approval by the Annual or Special Town Meeting, unless otherwise permitted by law or standing article.

Sandy River Plantation has adopted standing warrant articles that authorize the following without further Town Meeting vote:

- Grant acceptance and expenditure for the intended purposes
- Carry-forward of unexpended balances in designated accounts
- Emergency expenditures or mid-year salary/benefit changes, if explicitly authorized

Budget Transfers

Transfers within a department or line item may be authorized by the Board of Assessors, provided they do not exceed the total departmental appropriation. All transfers must be documented and reported to the Treasurer's Office.

2.4 Capital Improvement Planning (CIP)

Sandy River Plantation maintains a multi-year Capital Improvement Plan (CIP) to support strategic planning for future infrastructure and equipment needs. The CIP covers a minimum five-year period and is updated annually. It is a planning document and does not authorize expenditures unless adopted through the annual budget or a separate warrant article.

Given the Plantation's limited capital assets, the CIP focuses on:

- Maintenance and improvements to the municipal building
- Repairs and resurfacing of the seven town-maintained roads
- Acquisition or replacement of municipally owned equipment or fixed assets

Each capital project included in the CIP must:

- Identify a funding source (e.g., general fund, grant, capital reserve)
- Include a cost estimate and priority ranking
- Be reviewed annually for accuracy, status, and adjustments

The Board of Assessors, in collaboration with the Treasurer and Clerk, leads the development and review of the CIP. The plan is reviewed at public meetings and adopted either as part of the budget process or through a separate warrant article at the Annual Town Meeting.

3. Revenue Management

3.1 Accounts Receivable Policy

Sandy River Plantation collects various non-tax revenues from permits, licenses, disposal fees, and other service-related transactions. Although the Plantation does not routinely issue invoices or maintain a traditional accounts receivable ledger, it ensures all revenues are collected, recorded, and managed with accuracy, transparency, and timeliness.

Key Procedures:

- All fees and payments (e.g., permits, licenses, transfer station fees) must be collected at the time of the transaction unless otherwise authorized by policy.
- Receipts shall be issued when appropriate, and all transactions must be recorded in the Plantation's financial software or standardized ledger system.
- The Treasurer or designee is responsible for regular reconciliation of all collected revenues and timely deposit according to established cash handling procedures.
- Periodic reviews of non-tax revenue collections will be performed to verify accuracy, detect discrepancies, and analyze trends.
- The Treasurer shall maintain up-to-date records of all incoming payments and include non-tax revenue summaries in routine financial reports to the Board of Assessors.

3.2 Property Tax Policy

Property tax assessment and collection are governed by Title 36 of the Maine Revised Statutes, with the Board of Assessors holding statutory responsibility and an appointed agent managing operational functions.

Assessment and Tax Commitment

- Property is assessed annually as of April 1.
- The mil rate is set by the Board of Assessors in collaboration with the appointed agent.
- Once established, tax commitments are forwarded to the Treasurer for collection.
- Tax bills are mailed to property owners and include clear due dates and payment instructions.

Payment and Enforcement

- Tax due dates and interest rates on delinquent taxes are established by warrant article at the Annual Town Meeting, consistent with Title 36, §505.
- Interest is charged on overdue taxes as authorized.
- Unpaid taxes are subject to lien and foreclosure processes under Title 36, §§942–943.

Abatements and Supplemental Taxes

- Abatement requests must be submitted in writing and reviewed by the Board of Assessors within 185 days of tax commitment.
- Supplemental tax bills may be issued for omitted or incorrectly assessed properties.

3.3 Cash Receipt and Handling Procedures

All payments received must be properly receipted, recorded, safeguarded, and deposited to ensure accountability and compliance with internal controls and Maine law.

Acceptable Payment Methods

- Cash, personal checks, bank checks, or certified checks are accepted.
- Credit and debit card payments are currently not accepted but may be considered for future implementation.
- Returned checks will incur a service fee in accordance with Maine statutes.

Collection and Recording

- Payments must be receipted at the point of collection, using either a manual receipt system or approved financial software.
- A regular reconciliation process (daily or weekly, depending on transaction volume) must be performed to ensure accuracy.
- Reconciliations must be signed by the collecting employee and reviewed by the Treasurer or designated official.

Deposits

- Funds must be deposited into authorized municipal bank accounts as soon as practical, preferably within 24 hours, and no later than the next business day after reconciliation.
- Each deposit must be supported by a deposit slip, cash-out documentation, and a summary of payment types.

Security Measures

- Cash drawers must remain locked when unattended.
- Funds held overnight must be secured in a locked filing cabinet, lockbox, or safe.
- Access to funds and receipt processing shall be limited to authorized personnel and regularly monitored to ensure compliance.

4. Cash Management and Treasury Operations

The Treasurer of Sandy River Plantation is responsible for the custody, management, and disbursement of all municipal funds, as authorized by Maine Revised Statutes, Title 30-A §5603 and §5706. This section establishes prudent procedures to ensure the safety, liquidity, and appropriate yield of municipal cash resources.

4.1 Investment and Cash Management Policy

The Plantation manages cash and investments to:

1. Preserve principal
2. Maintain sufficient liquidity
3. Maximize interest earnings within a legal and conservative risk framework

Authorized Investments (per Title 30-A §5706):

- U.S. Treasury securities
- Certificates of Deposit (CDs) from Maine banks
- Accounts insured by FDIC or NCUA
- Repurchase agreements secured by U.S. government obligations

Procedures

- Idle cash balances will be periodically reviewed to assess investment opportunities.
- Investment decisions require Board of Assessors approval and are executed by the Treasurer. The Treasurer may present options and recommendations, but no investment will be made without Board authorization.
- Investments should be diversified and laddered to minimize risk exposure.
- All investments must be held in the name of the Plantation, with safekeeping receipts maintained in municipal records.
- Investment activity will be reported to the Board upon request or as part of regular financial reporting.

4.2 Check and Credit Card Acceptance Policy

The Plantation accepts payments following prudent internal controls and risk mitigation.

Check Acceptance

- Checks must be payable to “Sandy River Plantation.”
- Post-dated and third-party checks are not accepted.
- Returned checks incur a fee of \$25 or the maximum allowed under Maine law.

- Individuals with a history of returned checks may be required to pay by cash or certified funds.

Credit/Debit Card Acceptance

- Not currently accepted but may be implemented in the future for in-person or online payments.
- If implemented:
 - A convenience fee may be charged and must be clearly disclosed.
 - Transactions will comply with PCI DSS (Payment Card Industry Data Security Standards).
 - Daily batch reports will be reconciled by the Treasurer or designee.

4.3 Disbursement & Treasurer Warrant Policy

All municipal disbursements require a Treasurer's Warrant, signed by a majority of the Board of Assessors, in accordance with Title 30-A §5603(2)(A), unless a written policy authorizes otherwise.

Disbursement Types

- Accounts Payable (vendor payments)
- Payroll and Benefits (employee wages, payroll taxes, retirement contributions)
- State Fees and Obligations (e.g., motor vehicle registrations, licensing fees)

Procedures

- All disbursements must be supported by appropriate documentation (invoices, timesheets, contracts).
- The Treasurer's Warrant must list each payee, amount, and purpose of payment.
- Upon Board approval, the Treasurer may issue checks or electronic payments.
- Disbursements are regularly reviewed for accuracy, completeness, and compliance.
- Signature stamps or electronic approvals may be used if access is controlled and monitored.

Policy-Based Authorizations

Under Title 30-A §5603(2)(A)(1)–(3), the Board may adopt a written policy allowing fewer signatures for certain payments, including:

- Employee wages and benefits
- State fees

Such policies must:

- Be adopted by majority vote of the Board
- Be filed with the Town Clerk and Treasurer
- Be renewed annually by the Board

Outstanding Checks Monitoring and Resolution

To ensure the accuracy and completeness of financial records and prevent material misstatements, the Treasurer shall monitor all outstanding checks as part of the monthly bank reconciliation process.

- Any check that remains outstanding for more than six (6) months from the date of issuance shall be flagged for review.
- The Treasurer shall attempt to contact the payee and confirm whether reissuance is necessary or whether the check may be voided.
- Unresolved or stale-dated checks shall be:
 - Voided in the accounting system, and
 - Reissued or canceled, as appropriate, with all actions documented.
- A report of outstanding checks and any corrective actions shall be presented to the Board of Assessors, and reflected in the general ledger and financial statements in accordance with GAAP and Maine Uniform Accounting and Auditing Practices (MAAP).
- If applicable, unclaimed funds shall be reported to the State of Maine under unclaimed property laws.

Additional Internal Controls

- Monthly bank account reconciliations by the Treasurer or a designee not involved in cash handling.
- Dual review of bank statements, including a Board member such as the Chairman, whenever feasible.
- Periodic reporting of cash balances and investment performance to the Board of Assessors.

5. Expenditure Management

The Plantation of Sandy River Plantation is committed to ensuring that all public funds are expended legally, ethically, and in accordance with the approved budget. This section defines the policies and procedures for procurement, payment processing, and municipal debit card use.

5.1 Purchasing and Procurement Policy

All purchases made on behalf of the Plantation must follow standardized procurement practices that promote fiscal responsibility, transparency, and compliance with Maine law.

General Requirements

- Purchases must be necessary and in the public interest.
- All expenditures must be supported by approved budget appropriations and documentation.

- Purchase requests must be initiated by the Treasurer, Clerk, or designated official.

Purchasing Thresholds

Amount	Required Action
Under \$500	May be expended at the discretion of the Clerk, Treasurer, or designated agent
\$500–\$2,500	Board of Assessors authorization required; verbal quotes encouraged
\$2,500–\$10,000	Minimum of 3 written quotes required; quotes must be reviewed and approved by the Board of Assessors prior to purchase
Over \$10,000	Requires a formal bid process or Request for Proposals (RFP) with Board approval

Note: Thresholds may be adjusted by local ordinance or Board of Assessors policy.

Conflict of Interest

Officials or employees involved in purchasing may not have a direct or indirect financial interest in any contract or purchase made by the Plantation.

Emergency Purchases

In urgent situations that threaten health, safety, or property, the Treasurer may authorize emergency expenditures. Notice must be provided to the Board of Assessors as soon as possible, followed by written documentation.

5.2 Accounts Payable Policy

The Plantation’s Accounts Payable process ensures accurate, timely, and properly authorized payments.

Invoice Review and Approval

- Invoices must be date-stamped upon receipt.
- The Treasurer or designee must verify delivery of goods/services and approve the invoice for payment.
- Appropriate account coding will be assigned and verified prior to warrant preparation.

Payment Processing

- Payments are issued only after inclusion on a Treasurer’s Warrant approved by the Board of Assessors.
- Payments are typically processed once per week, unless otherwise directed.
- Original invoices and warrant documentation are retained in accordance with Maine State public records retention laws.

Fraud and Error Prevention

- Invoices are reviewed to prevent duplicate payments by verifying vendor name, amount, and date.
- Any incomplete, altered, or suspicious invoice is withheld from payment pending resolution.

5.3 Debit Card Use Policy

The Plantation may use a municipal debit card (not a credit card) for limited purchases when necessary for operational efficiency, subject to strict internal controls.

Authorized Users

- Use of the debit card is limited to the Treasurer or a designated official, and only for official municipal business.

Permitted Uses

- Office supplies and postage
- Small-dollar online purchases
- Conference registration or training materials
- Emergency purchases (as defined in Section 5.1)

Prohibited Uses

- Personal or non-municipal expenses
- Cash withdrawals, cash advances, or gift card purchases
- Meals or travel not explicitly authorized or budgeted

Controls and Reconciliation

- Each transaction must be accompanied by an original itemized receipt and a brief explanation of purpose.
- Monthly bank statements reflecting debit card activity must be reconciled by the Treasurer and reviewed by the Board of Assessors as part of the regular warrant or financial review process.

6. Personnel-Related Financial Policies

Sandy River Plantation contracts with a third-party payroll service provider to process payroll, handle tax withholding, and ensure compliance with all applicable federal and state labor laws, including the Fair Labor Standards Act (FLSA) and Maine Department of Labor regulations.

6.1 Payroll and Benefits Disbursement

Payroll Schedule

- Payroll is processed weekly by the contracted provider.
- Employees must submit approved timesheets by Monday at 10:00 AM to be included in the current week's payroll.
- The Treasurer is responsible for submitting timesheets to the payroll provider and confirming the accuracy of payroll runs.

Wage Authorization

- All employee compensation must be authorized by the Board of Assessors and approved through annual Town Meeting warrant articles.
- Any COLA adjustments or merit increases must be voted on and documented prior to implementation.

Employee Benefits

If benefits are offered (e.g., MainePERS, stipends, or health insurance), they must:

- Be approved by the Board of Assessors
- Be budgeted and appropriated through the annual warrant process
- Be administered by the Treasurer in accordance with enrollment and eligibility rules and in coordination with the provider

6.2 Tax Reporting and Deductions

The third-party payroll provider is responsible for:

- Withholding and remitting federal and state income taxes
- Calculating and submitting FICA (Social Security and Medicare) contributions
- Handling unemployment insurance (if applicable)
- Processing authorized deductions (e.g., retirement, garnishments)

Filing Responsibilities

The payroll provider submits required filings to:

- The IRS (e.g., Forms 941, W-2)
- Maine Revenue Services
- Third-party benefit administrators, if applicable

Annual Reporting

- The payroll provider issues W-2 forms to employees by January 31.
- The Treasurer is responsible for issuing 1099-NEC forms to all qualifying contractors earning \$600 or more annually, and for ensuring valid W-9s are on file.

Oversight

- The Treasurer shall review payroll reports regularly, ensure general ledger alignment, and resolve discrepancies in collaboration with the payroll provider.

6.3 Employee Expense Reimbursements

Employees may be reimbursed for pre-approved, reasonable, and documented expenses incurred during official municipal business.

Reimbursement Procedures

- Submit a completed Reimbursement Request Form (Appendix D) with original itemized receipts and a brief description of the expense.
- Reimbursements should be pre-approved when feasible and submitted within 30 days of the transaction.
- Approved reimbursements will be included in the next accounts payable warrant and require Board of Assessors authorization.

Eligible Expenses

- Mileage, reimbursed at the current IRS standard rate for authorized travel
- Lodging and meals during approved overnight travel (if budgeted)
- Operational supplies or materials purchased out-of-pocket due to immediate necessity

Note: Unauthorized, undocumented, or excessive expenses may be denied at the discretion of the Treasurer or the Board of Assessors.

7. Fund Balance and Reserve Policies

Maintaining adequate fund balances and well-defined reserve structures is essential to the financial health, operational stability, and long-term planning capacity of Sandy River Plantation. These policies guide the classification, use, and maintenance of municipal fund balances in accordance with GASB Statement No. 54, the Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP), and sound fiscal management principles.

7.1 Fund Balance Classification

The Plantation's General Fund balance will be reported in five classifications, consistent with GASB 54:

1. **Nonspendable** – Amounts that cannot be spent in the current period (e.g., inventory, prepaid expenses).
2. **Restricted** – Amounts subject to externally enforceable restrictions (e.g., grants, State or federal mandates).
3. **Committed** – Amounts formally earmarked by vote of the Board of Assessors for specific purposes.
4. **Assigned** – Intent-based allocations approved by the Treasurer or Board of Assessors, typically for planned obligations or projects.
5. **Unassigned** – The residual net resources available for general government use; the most flexible classification.

Oversight: The **Treasurer**, in consultation with the Plantation’s auditor, is responsible for accurate classification and proper disclosure in the annual financial statements.

7.2 Target Fund Balance Levels

To ensure fiscal resiliency, Sandy River Plantation shall maintain an unassigned General Fund balance equivalent to at least 15% to 25% of annual operating expenditures, with a target of two months of operating costs.

This range ensures the ability to:

- Respond to unforeseen emergencies or revenue shortfalls
- Maintain smooth cash flow between semiannual property tax collections
- Avoid short-term borrowing for operating needs
- Demonstrate creditworthiness to financial institutions or granting agencies

When Fund Balance Falls Below Target

If the unassigned balance drops below 15%, the Board of Assessors will develop a plan—over one or more fiscal years—to restore the balance to target levels through budget adjustments, expenditure controls, or revenue measures.

When Fund Balance Exceeds Target

Amounts exceeding the 25% maximum may be:

- Transferred to reserve funds (e.g., capital improvements or emergency contingency)
- Applied to reduce the property tax commitment in the subsequent budget cycle
- Allocated to one-time expenditures (e.g., capital needs, debt prepayments), not recurring operating costs

Note: Any use of fund balance must be approved through the annual budget or warrant article process.

7.3 Reserve Fund Use and Replenishment

Sandy River Plantation may establish dedicated reserve funds to plan for future needs, manage financial risk, and reduce reliance on debt.

Types of Reserve Funds may include:

- Capital Equipment Reserve – For planned acquisition or replacement of municipal vehicles, machinery, and tools
- Infrastructure or Building Reserve – For roads, facility repairs, or construction projects
- Emergency Contingency Fund – To address unexpected costs (e.g., disaster response, legal obligations)

Establishing and Funding Reserves

- Must be approved by vote of the Board of Assessors or Annual Town Meeting, as required
- May be funded through:
 - Annual appropriations
 - Transfers from unassigned fund balance
 - Carry-forward of unexpended budgetary balances

Use of Reserve Funds

- Reserve funds may be expended only for their designated purpose
- All disbursements must follow the same approval and warrant process as other expenditures
- Use must be supported by written documentation outlining the need, cost estimate, and project timeline

Replenishment of Reserves

- When reserve balances fall below planned levels due to use, a replenishment plan will be developed during the annual budget cycle to restore funding over time, based on fiscal capacity and priority.

8. Debt Management Policy

This policy establishes the framework for issuing, managing, and monitoring the debt obligations of Sandy River Plantation, with the goal of ensuring that all borrowing is conducted in a fiscally responsible, transparent, and legally compliant manner. It aligns with the Maine Revised Statutes, Title 30-A, §§5701–5776, and the Government Finance Officers Association (GFOA) best practices.

8.1 Legal Debt Limits

All debt incurred by the Plantation must remain within the statutory limits established by Maine law (Title 30-A, §5702). These limits are based on the Plantation's state valuation and include:

Purpose	Debt Limit (% of State Valuation)
General Purpose	7.5%
School Purpose (if applicable)	10%
Storm or Flood Emergency	1.5% (in addition to other limits)
Total Combined Limit	15% Maximum

Note: Exceeding certain debt thresholds may require approval from the Maine Municipal Bond Bank, legal review, or a supermajority vote at a Plantation meeting.

8.2 Bonding and Borrowing Procedures

When Debt May Be Used

The use of debt should be limited to major capital needs that cannot be met through operating funds or reserves. Appropriate uses include:

- Infrastructure replacement or improvements with long-term benefit
- Equipment or building purchases exceeding reserve availability
- Grant-funded projects that require a local match or interim financing

Approval and Authorization Process

All debt issuance must follow these steps:

1. Preliminary Review – The Board of Assessors evaluates project scope, cost-benefit, and financing alternatives.
2. Legal Consultation – The Plantation may engage legal or financial professionals to ensure compliance with Title 30-A and disclosure regulations.
3. Public Vote – All bonded debt must be approved by a majority vote of Plantation residents at a duly called Plantation Meeting (per §5772).
4. Execution and Disclosure – Final terms and agreements must be signed by authorized officials and properly disclosed in financial records.

Borrowing Instruments

Acceptable financing methods may include:

- General Obligation Bonds (GO Bonds) – Secured by the full faith and credit of the Plantation; require voter approval.
- Tax Anticipation Notes (TANs) – Short-term borrowing to address cash flow prior to tax collection; must be repaid within the same fiscal year.

- Lease-Purchase Agreements or Installment Contracts – Permissible under Maine law when structured to comply with debt limit rules and approved by the Board.

8.3 Debt Monitoring and Refinancing

Ongoing Oversight

The Treasurer is responsible for:

- Maintaining up-to-date schedules of all debt obligations, including principal and interest
- Tracking amortization and payment due dates
- Ensuring payments are made in accordance with the annual budget and debt service requirements

The Board of Assessors will review outstanding debt obligations annually as part of the budget development and long-term financial planning process.

Disclosure

- Debt obligations must be disclosed in the annual financial report
- Any material changes to the Plantation's debt position must be communicated to the Board and reflected in public documentation

Refinancing Policy

The Plantation may refinance existing debt under the following conditions:

- Net interest savings can be achieved without increasing long-term liabilities
- The debt structure or terms (e.g., fixed vs. variable rates) can be improved
- Legal counsel confirms that refinancing is permitted and beneficial

All refinancing must follow the same approval and public process as new debt issuance, including voter authorization where required.

9. Grants Management Policy

The Plantation of Sandy River Plantation recognizes that grant funding is a valuable resource that can support infrastructure improvements, community services, and other municipal objectives. This policy establishes clear guidelines for the application, administration, accounting, and compliance of all grant-related activities to ensure legal and financial integrity.

9.1 Grant Application and Approval

To promote responsible grant acquisition, the following procedures shall be followed:

- **Board Approval Required:** All grant applications must be reviewed and approved by the Board of Assessors prior to submission. Authorization may be delegated to staff by formal vote if appropriate.
- **Clear Scope and Obligations:** Each application must clearly define:
 - The project or purpose of the grant
 - Total funding requested and award period
 - Matching fund requirements and source of match (if applicable)
 - Ongoing obligations, such as maintenance or staffing, resulting from the grant
- **Strategic Alignment:** Grants must align with the Plantation's financial capacity, strategic goals, and operational priorities. Applications that impose excessive administrative or financial burdens will not be pursued.
- **Documentation:** Upon acceptance, a copy of the grant agreement, budget, and any special terms or conditions must be filed with the Treasurer's Office and included in official municipal records.

9.2 Grant Fund Accounting and Tracking

All grant funds shall be tracked in a transparent and auditable manner:

- **Fund Segregation:** Grant revenues and expenditures shall be recorded in separate fund codes or project accounts within the municipal accounting system, consistent with GASB and GAAP standards.
- **Grant Ledger Maintenance:** The Treasurer (or designated grant administrator) shall maintain:
 - A ledger of all revenues, expenditures, and balances
 - Supporting documentation for all transactions
 - Copies of approved budgets and reimbursement requests
- **Matching Funds:** Where grants require local matching contributions, such amounts must be:
 - Included in the approved municipal budget
 - Tracked separately for compliance and reporting
 - Supported by proper documentation of in-kind or cash match as required

9.3 Compliance and Reporting

The Plantation is committed to full compliance with all applicable rules governing grant-funded activities:

- **Regulatory Adherence:** All grant activities shall comply with:
 - Federal and State statutes, including Uniform Guidance (2 CFR Part 200) for federal grants
 - Grantor agency requirements, including procurement and reporting
 - Local policies and procurement thresholds
- **Reporting Obligations:** The Treasurer (or designee) shall ensure that:
 - All required financial and performance reports are submitted on time
 - Supporting documentation is retained for audit purposes
 - Grantor communications are responded to promptly and professionally
- **Audit Coordination:** The Treasurer will coordinate all grant audits, monitoring visits, or reviews and:
 - Respond to audit findings or compliance issues
 - Implement corrective actions as needed
 - Inform the Board of Assessors of significant issues or risks

9.4 Grant Closeout Procedures

When a grant-funded project or program concludes, the following steps must be taken:

- **Final Reconciliation:** The **Treasurer** will reconcile all revenues and expenditures, ensuring:
 - All eligible costs have been recorded
 - Any unspent funds are addressed in accordance with grant terms
- **Reporting Completion:** All required final reports, including financial statements, performance summaries, and grantor certifications, will be submitted by the applicable deadlines.
- **Documentation:** A complete closeout file will be maintained that includes:
 - Final financial summary
 - Programmatic outcomes
 - Communications with the granting agency
- **Board Notification:** A final summary of the grant's results and financial impact will be presented to the Board of Assessors, including any lessons learned or future obligations.

10. Auditing and Financial Reporting Policy

The Plantation of Sandy River Plantation is committed to maintaining accurate, transparent, and compliant financial records. This section establishes the requirements for independent financial audits,

routine financial reporting, and internal control oversight in accordance with Maine Revised Statutes, Title 30-A §5601-A, GASB standards, and best municipal practices.

10.1 Annual Audit

An annual audit shall be conducted by a qualified, independent Certified Public Accountant (CPA) or auditing firm under contract with the Plantation.

Audit Requirements:

- The audit shall meet the requirements of Title 30-A §5601-A, as well as any additional provisions set forth in grant agreements or federal funding requirements (e.g., Uniform Guidance for federal awards).
- The audit shall include, at minimum:
 - A full review of the Plantation's financial statements
 - Compliance testing for state and federal laws, regulations, and grant requirements
 - Identification of material weaknesses, significant deficiencies, or other findings

Audit Coordination:

The Treasurer is responsible for coordinating the audit process, including:

- Providing access to financial records and documentation
- Responding to auditor inquiries
- Reviewing draft findings and facilitating management responses

The audit firm shall be engaged through Board of Assessors approval, and the engagement letter shall outline the scope, timeline, and deliverables.

10.2 Financial Reporting

The Plantation shall provide regular financial reporting to support transparency, oversight, and informed decision-making.

Monthly Reporting:

- The Treasurer shall prepare and submit monthly reports to the Board of Assessors, including:
 - Budget-to-actual comparisons by department or account
 - Cash balance summaries and bank reconciliation reports
 - Investment performance updates, where applicable

Annual Financial Statements:

- The Treasurer will ensure that year-end financial statements are:
 - Prepared in accordance with Generally Accepted Accounting Principles (GAAP) and GASB standards
 - Submitted to the independent auditor for review and certification
 - Presented to the Board of Assessors following the audit
 - Made publicly available in accordance with transparency best practices

10.3 Internal Controls

The Plantation will maintain a system of internal controls to protect municipal assets, ensure the integrity of financial information, and support compliance with laws and policies. A summary is provided here, with detailed policies outlined in Section 11.

Control Measures Include:

- Segregation of duties in cash handling, payment processing, and financial reporting where practical
- Use of Treasurer's Warrants, purchase documentation, and approval workflows to control disbursements
- Secure handling of funds and regular reconciliations of bank and investment accounts
- Periodic review of internal control procedures by the Treasurer and Board of Assessors

10.4 Addressing Audit Findings

All audit findings or recommendations must be addressed in a timely and systematic manner.

Corrective Action Process:

- The Treasurer shall develop and implement a corrective action plan in response to any audit findings, in collaboration with relevant staff or contractors
- Progress on addressing findings shall be reported to the Board of Assessors
- Repeat findings shall be reviewed in detail to identify root causes and ensure long-term resolution

Transparency:

- A summary of audit results, including findings and corrective actions, shall be included in a publicly available audit report
- The Plantation will comply with any follow-up reporting or monitoring required by funding agencies or oversight bodies

10.5 Cybersecurity and Financial Systems Protection

The Plantation shall maintain secure access to all financial software and electronic data. The Treasurer shall ensure that password-protected accounts are used for all financial systems, that staff are trained on phishing and security awareness, and that regular system backups are performed. Use of multi-factor authentication and secure cloud storage is encouraged. Any suspected data breach must be reported to the Board of Assessors immediately.

10.6 Financial Risk Preparedness and Disaster Planning

To mitigate risks related to natural disasters, economic disruptions, or unanticipated capital failures, Sandy River Plantation shall maintain an Emergency Contingency Fund. The Board of Assessors shall review insurance coverage annually and consider participation in grant programs such as FEMA or ARPA for financial recovery. The Treasurer is responsible for maintaining up-to-date contact lists for state aid, emergency resources, and continuity of operations plans.

11. Internal Controls Policy

Effective internal controls are essential to ensure the accuracy and integrity of financial operations, prevent fraud, and promote responsible stewardship of public funds. This policy outlines the core internal control practices implemented by Sandy River Plantation.

11.1 Segregation of Duties

Segregation of duties is a key internal control designed to reduce the risk of error or inappropriate actions. No single employee should be responsible for both authorizing and processing a financial transaction.

To maintain effective segregation of duties:

- The individual responsible for authorizing expenditures will not be the same person who processes or records payments.
- Cash handling, deposit preparation, and account reconciliation duties are assigned to separate individuals whenever feasible.
- Payroll processing and payroll approval will be handled by separate individuals.
- In cases where limited staffing prevents full segregation, additional oversight and review (e.g., board review, secondary sign-offs, or periodic audits) will be used to mitigate risk.

11.2 Bank Reconciliation Procedures

Timely and accurate bank reconciliations are essential to detect errors and irregularities.

- Bank accounts will be reconciled monthly, preferably within 10 business days of receiving the bank statement.
- The reconciliation will be completed by someone not involved in the original transaction processing (if staffing allows).
- Completed reconciliations will be reviewed and signed off by the First Assessor or their designee.
- Any discrepancies must be investigated and resolved promptly, with documentation retained for audit purposes.

- Reconciliation reports will be filed and retained in accordance with the Maine State Archives' Local Government Record Retention Schedules.

11.3 Fraud Prevention and Risk Mitigation

Fraud prevention is an ongoing effort that requires vigilance, oversight, and a culture of accountability.

- All staff and officials are expected to act with integrity and in accordance with applicable laws, policies, and ethical standards.
- Checks and balances will be implemented in all financial workflows to discourage fraudulent activity.
- The organization will maintain restricted access to sensitive systems and financial accounts.
- Physical safeguards will be used to protect cash, check stock, and financial documents.
- Any suspected fraud, theft, or irregularity must be reported immediately to the appropriate authority (e.g., Board of Assessors, Town Manager, or external auditor).
- Periodic internal reviews and/or external audits will be conducted to identify risks and ensure controls remain effective.

12. Policy Review and Amendment

To ensure that the Plantation's financial policies remain effective, current, and in compliance with evolving laws and best practices, the following procedures govern their periodic review and amendment.

12.1 Regular Review

- The Board of Assessors, in coordination with the Treasurer, shall review the entire *Financial Policies and Procedures Manual* annually within 60 days of the start of the new fiscal year.
- Reviews may occur more frequently as needed, particularly in response to:
 - Changes in Maine state law or regulations
 - Updates to GASB or other accounting standards
 - Operational or organizational changes within the Plantation

12.2 Amendment Process

- Amendments may be proposed by the Treasurer, Board of Assessors, or any designated municipal official.
- All proposed amendments shall be:
 - Reviewed for legal and financial impact
 - Approved by a majority vote of the Board of Assessors
- Amendments that significantly alter budgetary authority or core financial procedures may require Plantation Meeting approval, depending on statutory or local requirements.
- Each adopted amendment shall be:
 - Dated and recorded in the Amendment History
 - Incorporated into the official policy manual with tracked changes if necessary

12.3 Communication and Training

- Updated policies shall be distributed to all affected officials and personnel.
- Informational briefings or training may be provided to ensure understanding and compliance.
- The most current version of the policy manual shall be:
 - Retained in official municipal records
 - Made available to the public upon request
 - Posted to the Plantation's website, if applicable

12.4. Effective Date and Amendment History

This *Financial Policies and Procedures Manual* was adopted by vote of the Sandy River Plantation Board of Assessors on **8/12/2025**. The manual shall remain in effect until amended or replaced by formal vote.

Amendment History

Date	Description of Amendment
8/12/2025	Initial adoption of the Financial Policies and Procedures Manual

13. Policy Acknowledgment Form

All municipal officials, employees, and designated contractors with financial responsibilities are required to review and acknowledge receipt of the *Financial Policies and Procedures Manual* of Sandy River Plantation.

By signing below, I acknowledge that:

- I have received and read the *Financial Policies and Procedures Manual*;
- I understand the policies and procedures contained within;
- I agree to comply with all applicable provisions; and
- I understand that I should direct any questions or requests for clarification to the Treasurer or Board of Assessors.

Signature: _____

Printed Name: _____

Title/Position: _____

Date: _____

SANDY RIVER PLANTATION FINANCIAL POLICY APPENDICES

Appendix A – Financial Procedures Checklists

1. Budget Development Checklist

Use this checklist annually to ensure timely preparation and adoption of the municipal budget.

- ☐ Mid-Year Budget Review – Late December
- ☐ Treasurer and Clerk begin drafting proposed budget – Mid-January
- ☐ Budget Committee convenes – March
- ☐ Joint workshops with Board of Assessors – March–April
- ☐ Public informational meeting(s) – May (optional)
- ☐ Finalize budget for Annual Town Meeting – May to early June
- ☐ Town Meeting vote (3rd Saturday in June)
- ☐ Fiscal year begins – July 1

2. Purchasing Procedure Checklist

Follow this procedure for all municipal purchases.

- ☐ Determine if purchase is necessary and within budget
- ☐ Under \$500: May be expended at the discretion of the Clerk, Treasurer, or designated agent
- ☐ \$500–\$2,500: Board of Assessors authorization required; verbal quotes encouraged
- ☐ \$2,500–\$10,000: Minimum of 3 written quotes required; quotes must be reviewed and approved by the Board of Assessors prior to purchase
- ☐ Over \$10,000: Requires a formal bid process or Request for Proposals (RFP) with Board approval
- ☐ Check for any potential conflict of interest
- ☐ For emergencies, the Treasurer may authorize and must document after
- ☐ Submit purchase documentation to Treasurer for processing

3. Grant Management Checklist

Follow these steps when managing grants.

- ☐ Submit grant application with Board of Assessors' approval
- ☐ Ensure clear identification of scope, funding, and match obligations
- ☐ If awarded, file and retain a copy of the signed grant agreement
- ☐ Set up separate accounting fund codes for tracking revenues/expenses
- ☐ Monitor expenses to ensure compliance with grant terms
- ☐ Submit financial and programmatic reports on time
- ☐ Close out grant: final reports, reconcile spending, return unused funds if required

Appendix B – Chart of Accounts Structure

Sandy River Plantation utilizes a segmented chart of accounts to ensure organized, consistent, and auditable financial reporting. The structure includes four components: **Fund**, **Department**, **Division**, and **Object**.

Segment	Length	Description	Example
Fund	2 digits	Identifies the fund type (e.g., General Fund, Reserve Fund, Grant Fund)	10 = General Fund
Department	3 digits	Represents the functional area (e.g., Town Office, Public Works, Fire)	020 = Public Works
Division	2 digits	Sub-category within a department, used if applicable	53 = Solid Waste
Object	5 digits	Specific account or line item representing the nature of revenue or expenditure	50230 = Compensation

Sample Account Code Format:

10-020-53-50230

General Fund – Public Works – Solid Waste – Compensation

This structure supports flexible financial reporting and ensures alignment with budget, audit, and GASB requirements.

Appendix C – Sample Treasurer’s Warrant

Below is a sample format for a Treasurer's Warrant approval sheet.

TREASURER'S WARRANT

Warrant No. _____ \$ _____ Date _____

To the Treasurer of **Sandy River Plantation**

This is to certify that there is due and chargeable to the appropriations listed below the sum set against each name and you are directed to pay unto the parties named in the schedule.

_____ } **SELECTMEN**

[illegible]

Appendix D – Reimbursement Request Form

Use this form to request reimbursement for approved municipal expenses.

Mileage and Expense Reimbursement Request Form

Employee Name:

Employee ID:

Authorized By:

Reimbursement Period:

DATE	STARTING LOCATION	DESTINATION	REASON FOR TRAVEL	MILES TRAVELED	EXPENSE DESCRIPTION	EXPENSE AMOUNT (\$)
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TOTAL MILES:

RATE PER MILE:

MILEAGE REIMBURSEMENT:

TOTAL EXPENSES:

TOTAL REIMBURSEMENT REQUEST:

Comments:

Employee Signature: _____

Date: _____

Appendix E – Credit/Debit Card Use Log

Log sheet for municipal credit/debit card purchases.

Date	Vendor	Purpose	Amount	Receipt Attached?	Treasurer Initials

Date Vendor Purpose Amount (\$) Receipt Attached? (Y/N) Treasurer Initials

Instructions:

- Record every municipal credit/debit card transaction promptly.
- Attach original itemized receipts for each purchase.
- The Treasurer (or authorized designee) must initial each entry after review.

Appendix F – Grant Tracking Worksheet

Track active grants for compliance and reporting.

Grant Name	Funder	Award Amount	Match Required	Report Due Dates	Balance Remaining

Grant Name

Grantor Agency

Grant Agreement Date

Grant Period

From: _____ To: _____

Award Amount

\$ _____

Matching Funds Required

Yes / No _____

Local Match Amount

\$ _____

Grant Fund Code

Purpose / Project Description

Authorized Official

Status (Active/Closed)

Funds Received to Date

\$ _____

Expenditures to Date

\$ _____

Remaining Balance

\$ _____

Reporting Due Dates

Next Report Due

Notes / Compliance Requirements

Instructions:

- Fill out each section to track individual grants.
- Use one worksheet per grant for detailed tracking.
- Maintain completed worksheets with financial records for audit and compliance.

Appendix G – Definitions & Acronyms

A. Definitions

Abatement

A reduction or refund of property taxes due to over-assessment, error, or eligibility for tax relief.

Accounts Payable (A/P)

Money owed by the Plantation to vendors or suppliers for goods and services received.

Accounts Receivable (A/R)

Money owed to the Plantation for services rendered, permits, licenses, or other non-tax revenue sources.

Annual Town Meeting

The annual legislative meeting where Plantation residents vote on the budget, ordinances, and other municipal actions.

Appropriation

An authorized amount of money allocated by Town Meeting vote for a specific purpose or department.

Assessor

An official responsible for establishing property valuations and administering property tax processes.

Audit

An independent examination of the Plantation's financial records and practices to ensure accuracy, compliance, and integrity.

Budget Committee

A committee of residents elected or appointed to review and recommend the annual budget.

Capital Improvement Plan (CIP)

A multi-year planning document that outlines anticipated capital projects and investments.

Committed Fund Balance

Monies formally set aside by the Board of Assessors for a specific purpose by vote.

Encumbrance

Funds that have been reserved for a specific future obligation, such as a contract or purchase order.

Fund Balance

The net financial resources of a governmental fund at a specific point in time.

General Fund

The primary operating fund of the Plantation, used for most day-to-day services and expenditures.

Grant

A financial award from a federal, state, or private entity to support specific municipal programs or projects.

Internal Controls

Policies and procedures designed to ensure the safeguarding of assets, reliable financial reporting, and compliance with laws and regulations.

Investment Laddering

A strategy of staggering the maturity of investments to balance liquidity and risk.

Mil Rate (Millage Rate)

The tax rate used to calculate property taxes, typically expressed as the amount per \$1,000 of assessed value.

Procurement

The process of obtaining goods or services through purchase, bid, or contract.

Reconciliation

The process of verifying that two sets of financial records (e.g., bank statements and accounting ledger) match.

Reserve Fund

A fund established to set aside money for future expenditures or emergencies.

Supplemental Tax Bill

An additional property tax bill issued for properties not assessed or under-assessed during the regular commitment.

Treasurer's Warrant

An official document authorizing the disbursement of municipal funds, signed by a majority of the Board of Assessors.

B. Acronyms

Acronym	Meaning
A/P	Accounts Payable
A/R	Accounts Receivable
BOA	Board of Assessors
CD	Certificate of Deposit
CIP	Capital Improvement Plan
COLA	Cost of Living Adjustment
CPA	Certified Public Accountant
FDIC	Federal Deposit Insurance Corporation
FICA	Federal Insurance Contributions Act (Social Security & Medicare)
FLSA	Fair Labor Standards Act
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
IRS	Internal Revenue Service
MainePERS	Maine Public Employees Retirement System
NCUA	National Credit Union Administration
PCI DSS	Payment Card Industry Data Security Standards
RFP	Request for Proposals
TAN	Tax Anticipation Note
W-2	Wage and Tax Statement (employee income reporting form)
W-9	IRS Request for Taxpayer Identification Number
1099-NEC	IRS Form for Nonemployee Compensation