

CHARLOTTE TOWN AUDITORS
Minutes of the
Monday, May 13, 2013, Meeting
At the Charlotte Town Hall

Present: Town Auditors Peter Trono and Nancy Wood (chair). Absent: Robert Mack
Others: Selectboard Chair Charles Russell, Selectboard Assistant Dean Bloch, Town
Treasurer Mary Mead.

- The meeting was called to order at 3 p.m.
- The minutes of April 15, 2013, meeting were approved (motion of Peter Trono, second Nancy Wood, all in favor).
- Continued discussion of financial/purchasing policy and procedures recommendations for Selectboard:

The draft recommendations included with the minutes of the April 15, 2013, meeting were discussed. Mead said she thought they were overly complicated, and that the system now with most departments works well, specifically Library, Senior Center and Highways. She said the area not working well involved Selectboard projects and expenditures.

Russell and Bloch agreed to try a procedure similar to that in the recommendations. This is the recommendation specific for Selectboard projects:

- a. Multi-vendor and Single-vendor, Selectboard project. Example, Town Hall window replacement, Town Hall energy grant work.
 - i. When project/purchase approved by Selectboard, Project Form prepared by Selectboard Assistant documenting scope of work, vendors expected and total of payments authorized.
 - ii. Project Form given to Town Treasurer to be on record for reference when invoices arrive
 - iii. Verifications of materials received and returned, work completed, etc., should be documented during progress of work by designated personnel and confirmed with signatures on vendors' receipts
 - iv. Invoice should identify department ordered for and include signed receipts
 - v. Invoice routed first to department for review and payment authorization.
 - vi. Approved invoice returned to Town Treasurer with copy of original Project Form attached, updated with prior payment information, current payment authorized and balance due for specific vendor and total project.
 - vii. Town Treasurer prepares payment from invoice and presents to Selectboard for approval with authorization updated project form from department.

Also discussed was the procedure for final approval of payments by Selectboard (non-payroll). Russell said he thought the checks should not be signed until the warrant had been approved and Mead agreed to that. Mead described why it is important for the Selectboard members to review each invoice, not just the summarized entries on the Warrant. Russell said that the Selectboard had removed the 48-hour waiting period before checks are released after three signatures. This is the recommended final approval procedure with that change:

1. Town Treasurer prints checks and warrant for approved invoices. Attached to warrant are unsigned checks, invoice, check stub and preauthorization forms.
2. Town Treasurer attaches note to the warrant if there is a concern or question about a specific invoice and circles the item on the warrant.
3. Town Treasurer provides updated budget to actual financial statement to accompany warrant.
4. Final approval during weeks without a Selectboard meeting
 - a. At least three Selectboard members come to Town Hall to review the warrant and invoices. If member approves all payments, he/she signs the warrant with date of signature.
 - b. If there are concerns or questions that need Selectboard discussion, member circles specific item on warrant and signs approval of other invoices with a note of account to review.
 - c. After the third signature, Town Treasurer stamps authorized on approved invoices, signs checks and distributes.
 - d. Unapproved invoices are held with warrant for discussion at next Selectboard meeting.
5. Final approval during weeks with a Selectboard meeting
 - e. Selectboard members may come to Town Hall to review the warrant and invoices. If member approves all payments, he/she signs the warrant with date of signature.
 - f. Warrant with attachments is reviewed by the board at the meeting, with discussion of items of concern to Town Treasurer or board members.
 - g. After approval by board, Town Treasurer stamps authorized on approved invoices, signs checks and distributes.
 - h. Unapproved invoices are dealt with as necessary.

Discussion continued about RFP and contract formats and details, such as payment schedules, with specific questions by Trono about the Brush Hogging and Town Hall Window contracts to be discussed at the Selectboard meeting that evening. Trono is drafting recommendations related to RFP and contract procedures.

- Other Business: Mead indicated that she had been told by Ed Sulva of CVFRS that the bookkeeping for Fire & Rescue would move back to the department on July 1. When asked by Trono about the Selectboard's stand on that, Russell said that the question had been decided at Town Meeting and that it was not an issue being considered as part of the legal agreement between the Town and CVFRS. Mead said

she was opposed to removing the bookkeeping from her and the Town. Wood said she understood that this change would not occur before the legal agreement was final and methods for financial accountability to the Town were established.

- The next meeting was scheduled for Monday, May 20, 2013, at 3 p.m. at the Town Hall to discuss recommendations to Selectboard re: CVFRS accounting procedures and financial reporting requirements for inclusion in the legal agreement between the Town and CVFRS.

Elected Town Auditors: Robert Mack, Peter Trono, Nancy Wood

May 13, 2013, minutes approved at the May 20, 2013 meeting.