

TOWN OF WESTERLY

RESTRICTED FUND TRANSFER POLICY

PURPOSE

Currently, Westerly *Charter* §3-1-7 (D) dictates the rules and procedures for fund transfers after the adoption of the annual budget. More specifically, it states that intrafund transfers can be completed with the approval of the town manager and interfund transfers can only be completed with the written request by the town manager to the town council, and then only by ordinance.

The Westerly *Code of Ordinances* Chapter 22, Article II, "Capital Improvement Program," dictates the rules and procedures for establishing a capital program.

Restricted Fund allocations are treated like capital in that they do not lapse on an annual basis. However, Restricted Fund allotments are not considered, "capital," as they do not go through the procedures for capital requests, as noted in Westerly *Code* Chapter 22, Article II. Finally, Restricted Fund allotment funding is for a specific purpose (i.e. road striping or police vests). Any change in the use of the allotment would require town council notice and possible action.

POLICY

1. Upon written request by the Town Manager, the Council may, by resolution, transfer part, or all, of any abandoned, repurposed, or unencumbered appropriation balance from one or more current or prior-year restricted accounts to another.
2. The purpose of any such appropriation shall be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.
3. The Town Council may repurpose any appropriation if the original purpose or intent is no longer available or actionable.
4. Any requests by the Town Manager for the transfer of part, or all, of any abandoned, repurposed, or unencumbered appropriation balance of one or more restricted accounts to the general fund or capital fund will be done by ordinance of the Town Council per Westerly *Charter* §3-1-7 (D).

ADOPTD BY TOWN COUNCIL: April 17, 2017

OPTIONAL RECOMMENDED REVISIONS TO THE CHARTER

OPTION #1

§3-1-7 (d) Transfer of appropriations. At any time during the fiscal year the Town Manager may transfer part or all of any unencumbered or abandoned appropriation balance among programs within a department, ~~office~~ or agency. ~~and,~~ Upon written request by the Town Manager, the Council may by ordinance transfer part or all of any unencumbered or abandoned appropriation balance from one department, ~~office~~ or agency, or fund, including capital and restricted funds, to another.

OPTION #2

§3-1-7 (d) Transfer of appropriations. At any time during the fiscal year the Town Manager may transfer part or all of any unencumbered or abandoned appropriation balance among programs within a department, ~~office~~ or agency. ~~and,~~ Upon written request by the Town Manager, and for total amounts not to exceed \$10,000, the Council may by resolution transfer part or all of any unencumbered or abandoned balance from one department, agency, or fund to another. For total amounts exceeding \$10,000, the Council may by ordinance transfer part or all of any unencumbered or abandoned appropriation balance from one department, ~~office or~~ agency, or fund, including capital and restricted funds, to another.