



**ADMINISTRATIVE OFFICE**

19 Gregory Drive, Suite 204  
South Burlington, VT 05403

**EMAIL** info@cswd.net

**TEL** (802) 872-8100

**www.cswd.net**

**CHITTENDEN SOLID WASTE DISTRICT  
FINANCE COMMITTEE MEETING INSTRUCTIONS  
FOR THE PUBLIC – REMOTE ACCESS**

Date: Wednesday, May 13, 2026  
Time: 5:00 p.m.  
Place: ZOOM MEETING INSTRUCTIONS

**IMPORTANT:**

CSWD will hold a hybrid Board of Commissioners Meeting. The virtual meeting is accessible by computer or phone. Members of the public, joining the meeting remotely, may join by clicking the link below. Following the meeting a recording will be available upon request.

**You are invited to a Zoom webinar!**

**Join from PC, Mac, iPad, or Android:**

<https://us02web.zoom.us/j/88062557266>

**Webinar ID:** 880 6255 7266

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**Join via audio:**

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***For those without internet access, call 802-872-8100 ext. 247 and leave a message to register for the meeting. A call-in number will be provided to you prior to the meeting.***

Participants will be in listen only mode. Call in controls include: \*6 – toggle mute/unmute and \*9 to raise your hand.



Chittenden Solid Waste District

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TO: Finance Committee  
FROM: John Balparda, Director of Finance  
DATE: Wednesday, May 13, 2026  
RE: **FINANCE COMMITTEE MEETING**

=====

<b>DATE:</b> Wednesday, May 13, 2026
<b>TIME:</b> 5:00 pm to 7:00 pm
<b>PLACE:</b> Hybrid Meeting - <i>ZOOM Meeting or In-person at CSWD Administrative Office, 19 Gregory Drive, Suite 204 South Burlington</i>

**MEETING AGENDA**

1. Agenda
2. Public Comment Period
3. (E) Consent Agenda – Minutes from February 11, 2026, and April 7, 2026
4. (E) Financial Policy Proposed Revisions
  - a. Financial Policy Revision Memo
  - b. Financial Policy Revision Redline
5. (E) Financial Internal Control Procedure Summary Memo
6. (E) MRF Build Cash Flow Projection
7. Other Business
8. Adjourn

**DRAFT**

**CHITTENDEN SOLID WASTE DISTRICT – Administrative Office  
FINANCE COMMITTEE MINUTES  
CSWD Administrative Office, 19 Gregory Drive, South Burlington VT  
Wednesday, February 11, 2026**

**FINANCE COMMITTEE PRESENT:** Paul Stabler, Rick McCraw, Lauren Eagan

**OTHER BOARD MEMBERS PRESENT:** Paul Ruess, Ken Spencer, Dan Steinbauer

**CSWD STAFF PRESENT:** John Balparda, Josh Estey, Dan Goossen, Jenn Holiday, Amy Jewell, Brian Mital, Sarah Reeves

Agenda:

1. Agenda
2. Public comment period
3. Consent Agenda
4. FY 27 Draft Budget Review
5. Other Business
6. Adjourn

P. Stabler called the meeting to order at 9:00 a.m.

**Agenda # 1. Agenda** – No changes.

**Agenda #2. Public Comment Period** – No public in attendance.

**Agenda #3. Consent Agenda** – Accepted as presented.

**Agenda # 4. FY 27 Draft Budget Review**

Overview: S. Reeves introduced the FY 27 Budget and noted a shift in the mindset for this year's budget development. J. Balparda outlined a shift in budgeting strategy, recommending the discontinuation of NetSuite Budgeting software, citing it as unsustainable in cost and performance. He prefaced the presentation by noting the uncertainties relating to global, nation, and local macro-economical factors due to many policy driven variables. J. Balparda stated that his goal is to refine the seasonality model to reduce budget variances to a target range of 2–3%. The new proposed methodology will be based upon three year averages (2023-2025) and will pivot towards a predictive model based on recent historical data averaging techniques, with adjustments for monthly revenue and expense seasonality.

J. Balparda presented the proposed budget assumptions, highlighting a 4% inflation adjustment for all fees and revenues except the Solid Waste Management Fees (SWMF). Other key adjustments include a 7.5% health insurance increase for the first six months, a revised SWMF rate of \$41.92 per ton, driven by a 4.8% CPI Trash index and one full-time position added in both Management and Organics Recycling Facility (ORF). He noted some additional changes may be made to the budget before presenting to the Board, which will include any changes that the Finance Committee recommends. P. Stabler requested that any changes to the distributed packet be submitted to the Committee for review.

J. Balparda proposed that the FY27 budgeted income will be \$175,000 or 0.9% lower than FY25, primarily due to declines in grant revenues and gain on disposal of assets, netted against higher SWMF revenue. J. Balparda stated that the forecast for expenditures for FY27 is \$1.6M or 10.7% higher than FY25 due to the projected forecast of higher expenses. P. Ruess requested that Average Commodity Revenue (ACR) be included as a key revenue variable and to update key assumptions to include tipping fees. J. Balparda reviewed the income statement comparison, head count & payroll expenses, and fund balances tables highlighting changes in expenditures and payroll expense changes. J. Balparda stated that

the new FY27 budget suggested Net income is \$178M. Answering a question regarding where the bond service for the MRF project comes from, J. Balparda clarified that CSWD is required to allocate working capital to the MRF project debt service fund to comply with bond bank documents.

Discussion was held on the new methodology, and it was noted the difficulty of the timing because budgeting is so far in advance of actuals. Discussion was held on the design flaw in NetSuite where subsidies and transfers show differently than expected. It was requested that a glossary be provided to help the Board and public understand the terminology and methods CSWD used throughout the reports.

#### **A. OPS Admin**

J. Balparda reviewed the table for the Ops Admin budget stating that there were no major changes from the baseline from previous budgets and included a subsidy of \$610k applied to the model. Answering a question regarding what falls under Ops Admin, J. Estey clarified the scope, defining it as the staff wages and benefits budget for operations support programs of the administrative departments.

#### **B. Drop-Off Centers**

B. Mital stated that the FY27 budget predicts that drop-off centers will contribute \$135k in revenue to the bottom line. B. Mital noted specific changes in the DOC budget, highlighting a reduction in open top roll-off box purchases. This decrease is attributed to diligent maintenance staff efforts, which have successfully extended the equipment's operational lifespan. Answering a question in regard to recycling and food scraps, B. Mital stated the CSWD is proposing a \$1 fee for food waste and a \$1 materials collected fee for recycling when you bring in your trash where the cost was previously included in the bag price. The current bag price would not change. S. Reeves emphasized the need to maintain affordable bag prices while ensuring consumer awareness regarding the operational costs of recycling and food scrap programs.

S. Reeves noted the actual cost and data analysis can be challenging, but it has been helpful in learning how to recover additional costs and fund capital needs at the DOC. L. Eagan requested that CSWD initiate community engagement regarding proposed recycling and food waste fees, specifically to develop a proactive public survey to gather community input. Concerns were raised regarding potential improper material disposal and the use of independent haulers, due to potential increased service fees for recycling and food waste. S. Reeves stated that this fee proposal is not in the presented budget. S. Reeves will meet with P. Ruess for a discussion prior to presenting the budget.

#### **C. Maintenance/Roll-Off**

J. Balparda clarified the vacant positions in the maintenance department. J. Balparda stated that there are no significant changes to the budget. B. Mital reported that the maintenance department is adequately equipped, citing high-performing team maintenance and a capital replacement schedule.

#### **D. Property Management**

B. Mital noted this budget includes 1042 (old ORF offices) and Site 21 sandpit. J. Estey stated that money is in the budget for continued remediation with surfacing groundwater, as it relates to extraction of sand and the expenditures of managing the site. Once the ORF takes over this property it will transition from the property management budget to the ORF budget. S. Reeves stated the budget previously contained rental properties located on Flynn Ave and Redmond Rd which are no longer acquired by the CSWD. S. Reeves noted that Burlington now owns the property on Flynn Ave. L. Eagan asked about utility costs and if the district had an Efficiency Vermont account manager for all the buildings, and suggested CSWD have a dedicated person to work with Efficiency Vermont to conduct an energy audit.

#### **E. ORF**

Revisions were presented of the baseline budget, including a projected increase in revenue and the addition of one staff member. D. Goossen reported enhanced product quality, attributed to decreased contamination reflecting an increase in revenue. D. Goossen reported an increase in carbon following the transition to commingled leaf and wood acceptance. To address higher material volumes, D. Goosen

noted that the implementation of an on-site shredder has resulted in improved operational efficiency and lowered expenditures. D. Goosen proposed a tipping fee rate increase of 5.7% from \$70/ton to \$74/ton to commercial food scraps only. D. Goosen recommended the addition of a full-time maintenance personnel/operator position to focus on on-site repairs while providing operational support for material handling, this being the biggest expense to the budget. D. Goossen reviewed offsetting the cost of the expense of a new staff member from revenue generated from tip fees and the sales of finished materials. D. Goosen presented a proposal to implement a subscription-based, \$25/year yard waste service, aiming to generate \$87,000 in new revenue. D. Goossen provided an update on the monetization strategy, reviewing logistics for individual material collection versus subscription-based systems, and noted the team's progress on a potential solution. Further discussion was held on the public perception of subscription service and the need to get public feedback.

Further discussion will be held on the upcoming changes in the state's solid waste rules regarding depackaging facilities, which would make it prohibitive for source separated organics (plate scraping) to go to de-packaging facility due the degrading quality of these organics to the point where they were no longer viable for animal/human feed or composting. S. Reeves stated that this change should not affect the FY 27 budget.

P. Stabler asked for a cost benefit analysis of the water line extension project due to the significant capital investment. Answering a question from P. Stabler, about site drainage issues from HS&G extraction due to the site's downhill location, D. Goosen replied that surface water runoff is introducing silt into the filtration system and HS&G is currently collaborating with CSWD on mitigation measures to divert water and protect the system. K. Spencer raised concerns regarding the capacity to manage the increased nitrogen loads associated with the proposed carbon increase. Discussion was had on providing equitable services for hauling and additional services to Chittenden County and how this can be implemented.

### **G. Materials Recycling Facility**

J. Balparda summarized existing MRF assumptions, which includes an ACR of \$75/ton and a \$93.33/tip fee that will be updated to \$100/ton (is being implemented April 1, 2026) and used a 3% reduction in volumes, estimated at 33,000 tons. Discussion was held on markets and revenue by materials. S. Reeves reported that PET performance has bottomed out and numbers are now improving. J. Estey explained competing with the Rutland MRF with an estimated \$120/ton range.. S. Reeves stated that the new MRF contract is out to bid and it is separated into two contracts, operating and marketing. Answering a question from D. Steinbauer, S. Reeves clarified revenue breakdowns by materials. P. Stabler requested this information be provided to the board and to include a timeline of when CSWD will transition from the old to the new MRF.

### **H. Hazardous Waste**

J. Estey presented the budget for hazardous waste noting changes to the labor line being reduced by the FTEs to closer to 4, with the retirement of long-time Hazardous Waste Supervisor Gary Winnie. J. Estey said the state legislature is considering the HHW EPR bill, which will result in some revenue back for disposal costs, labor and some of the utilities for the building. J. Esty stated that the Solid Waste Implementation grant is applied to this budget. Discussion was held on battery collections, EPR programs, as well as the paint program. CSWD is still making/selling Local Color paint. J. Estey noted that CSWD's overall goal is to recycle as much paint as possible.

### **J/K. Biosolids – Pass Through Budget and Landfill Budget**

#### **J. Biosolids-Pass Through Budget**

J. Balparda presented the Biosolids-Pass Through budget noting no major change to the budget. J. Balparda stated that although the landfill has no revenue, Biosolids has monthly fees and administration fees and are showing profit. J. Estey stated that the budget is funded from the Biosolids Fund and Closed Landfill Fund where annual expenses for maintaining closed landfills are funded and reimbursed through this reserve, which supports the management of leachate and other related issues.

## **K. Landfill**

J. Estey explained that the closed landfill is managed by a full-time staff member, along with other internal permitting work overseen by this staff member. J. Estey highlighted the duties of this staff member as pumping and testing leachate, surface water monitoring and general upkeep of the facility. S. Reeves reported ongoing discussions regarding post-closure care, stating that as required by state and federal guidelines every landfill must do post-closure for 30 years. S. Reeves clarified that custodial care remains active beyond year 31, with increased focus on ongoing care services. J. Estey noted unforeseen limitations in the leachate tank cap repair process and stated that experts are being consulted to find a viable solution. P. Stabler proposed renaming the 'Pass Through Budget' to more accurately reflect its function, noting that the current title misrepresents the financial process involved in the closed landfill.

## **L. Capital Budget –**

J. Balparda presented the chart for the CapEX Projects 3 year plan resulting in the FY27 budget for the current MRF. J. Balparda reported that current period expenditures of \$710k were fully offset by a corresponding allocation from the New MRF Capital Project Fund. It was noted that this budget does not have a budgeted balance sheet for Capital. J. Estey reviewed the proposed expenditures of the FY27 budget, highlighting the budget needs for maintenance and upgrades in ORF, Roll-Off/Maintenance department, Milton-DOC, and Williston DOC. J. Estey reported that Burlington's acquisition of the Flynn Ave property is intended to facilitate the relocation of Pine Street materials, potentially increasing CSWD space. Potential Implementation is projected FY29, if acquisition of Pine Street property is acquired. J. Estey stated that the New MRF Project structural engineer has completed inspection of large overhead structures, citing degradation from salt use. Remediation plans are in progress and cost of repairs will be added to FY27. J. Estey reviewed the expenditures and replacement schedule for compactors for Burlington and Williston, as well as property improvement at Site 21 and expenditures to get the property to a usable space at the ORF. J. Estey noted a line item to be added to the proposed FY27 capital expenditures budget of \$50k for a MSGP Permit, storm water permit, for long term planning phase to manage storm water at ORF gate 2. Concerns were addressed that all expenditures were covered in the presentation. S. Reeves commended staff for providing a detailed, clean, and organized capital expenditures schedule.

## **M. New MRF -**

P. Stabler requested a comprehensive financial review packet be provided to the Board of the New MRF Project, specifically asking for a report comparing the initial budget, current expenditures, and projected spending for the upcoming year to identify budget variances. S. Reeves stated that the goal is to have this financial review packet available for presentation at this month's board meeting. L. Eagan stated that the price point from the GMP for the 3 phase line extension was reasonable. S. Reeves stated that in the future budgets the New MRF will have capital costs in it and a regular routine with its own schedule.

## **ADMINISTRATION BUDGETS**

### **N. Compliance**

S. Reeves reviewed the Compliance budget noting an increase in revenue due to anticipated increase in issued Notice of Violations.

### **O. Administrative**

S. Reeves stated legal fees are lower than the average of the three-year period based on fewer real-estate transactions and jurisdictional opinions, adding that for the current year legal fees are high. Concerns regarding travel and training costs were addressed to validate that the budget accurately reflects departmental requirements and supports necessary professional development. A. Jewell noted the \$30,000 in the Admin budget for district wide training and individual program budgets including their own specific training.

### **S. Outreach & Communications**

J. Holiday presented an overview of the Outreach and Compliance budget, noting that the proposed allocation is below the three-year average due to consistent underspending. J. Holiday noted an

expenditure in the budget for the marketing firm of \$100k with projects centered around the new MRF. Answering a question on how the Board can support staff in Outreach and Communication, J. Holiday advised the utilization by the Board of the Front Porch Forum. L. Eagan noted recent community outreach programs at the Burnham library and suggested that Board members be advised ahead of time about these programs. D. Steinbauer stated that he appreciates the communication from the Outreach and Communication department.

**Wrap up:**

Discussion was held on the presentation to the Board with possible fee changes, if recommended. Answering a question from L Eagan about the largest risks in the budget, J. Balparda identified the primary budget risks as the new MRF timeline, cost-to-complete, and associated residual uncertainties. J. Balparda stated that the lowest risk in the budget is hiring new staff members to fill positions. Answering a question from L. Eagan in regards to if there were any items that were that should have been included in the budget that did not get included, J. Estey stated that the new methodology, utilizing a three year historical trend analysis plus a percentage buffer, has enhanced budget accuracy and ensures all necessary items are adequately included. The Organizational Chart with FTEs by program will be added to the packet. P. Ruess thanked the staff for providing a thorough budget noting confidence bringing it before the Full Board and the public.

**Other Business**

R. McCraw requested a presentation at a future Finance Committee on Internal Controls. The next Finance Committee meeting is tentatively scheduled for March, 4th.

**RICK MCGRAW made a motion, second by LAUREN EAGAN to adjourn the meeting. Motion passed 3-0 at 2:37 PM.**

I agree that this is an original copy of minutes, and they have been approved by the Finance Committee at the meeting held via Zoom and in-person.

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**DRAFT**  
**CHITTENDEN SOLID WASTE DISTRICT – Administrative Office**  
**FINANCE COMMITTEE MINUTES**  
**CSWD Administrative Office, 19 Gregory Drive, South Burlington VT**  
**Tuesday, April 7, 2026**

**FINANCE COMMITTEE PRESENT:** Paul Stabler, Rick McCraw, Lauren Eagan

**OTHER BOARD MEMBERS PRESENT:** Dan Steinbauer

**CSWD STAFF PRESENT:** John Balparda, Josh Estey, Jenn Holiday, Amy Jewell, Brian Mital, Sarah Reeves

Agenda:

1. Agenda
2. Public comment period
3. Consent Agenda
4. FY 27 Draft Budget Review
5. Other Business
6. Adjourn

P. Stabler called the meeting to order at 5:30 p.m.

**Agenda # 1. Agenda** – No changes.

**Agenda #2. Public Comment Period** – No public in attendance.

**Agenda #3. Consent Agenda** – Removed

**Agenda # 4. FY 27 Draft Budget Review**

**A. Key Revisions** – Regarding the recent phishing incident, S. Reeves stated that a comprehensive review of all remaining FY26 and proposed FY27 expenditures has been initiated. This review does not compromise the services provided to customers.

S. Reeves presented a revision to the Drop Off Center (DOC) budget trash tipping fees of \$150,000 to account for the proposed pricing increase. She discussed revenue from \$1 bag fees and \$1 facility fees pending a final decision. S. Reeves stated there is \$200,000 of interest that is being added to the budget from CDs that has been previously excluded from the original draft. S. Reeves stated the cost-of-living adjustment has been adjusted to 3.08%. A. Jewell stated the commercial insurance increased by \$112,000 and to correctly consolidate the expense it was moved to the admin budget. S. Reeves stated that the Materials Recovery Facility (MRF) tipping fee increased from \$90 to \$100/ton on April 1<sup>st</sup>, 2026. Answering a question from P. Stabler, S. Reeves confirmed that current MRF tipping fees are competitive with those charged by Castella in Rutland.

**B. Baseline Revisions & Cuts** - J. Balparda presented additional baseline revisions and cuts to the FY27 budget, noting a net income increase of \$645,000. He said this increase was broken down by a net increase of \$278,000 from Administrative from Outreach and Communication at \$204,000 and \$367,000 for Operating from the DOC at \$212,000. J. Balparda noted \$125,000 additional income at DOC's related to new facility charges. J. Estey stated this was the more conservative of the two options as far as additional revenue for the DOC. Answering a question from P. Stabler, S. Reeves advised that the survey results and final revenue option recommendation will be presented at the final budget meeting.

Answering a question from P. Ruess, J. Balparda clarified the additional revenue numbers totaling \$275,000. J. Balparda stated there is a \$58,000 reduction of revenue at the Organics Recycling Facility

from the original proposed FY27. J. Balparda reported a \$51,000 reduction in wage expenditures at the Hazardous Waste Depot resulting from a staff retirement. This change does not impact other personnel. J. Balparda stated there was a \$43,000 reduction in travel and training expenditures. J. Balparda stated there is \$23,000 expenditure reduction in General Administration cost. J. Balparda stated there is a \$80,000 expenditure reduction in professional fees. Clarification was given on this reduction coming from not relying on the utilization of marketing firms and consulting firms. J. Balparda stated there is an expenditure reduction of \$132,000 from the large equipment expense fund. J. Balparda stated a \$48,000 reduction in the IT budget due to adjustments for NetSuite Planning Budget removal and fixed assets. J. Balparda said there is a \$30,000 expenditure reduction in supplies contributed to materials and supplies organization wide and postage. J. Balparda stated there is a \$34,000 expenditure reduction in hazardous waste disposal due to the revision of FY27. J. Balparda said there is a reduction of \$26,000 in building and land expenses. J. Balparda stated there is a \$84,000 expenditure reduction in Promotion and Education. Clarification was given on skilled labor of DOC's and deferred maintenance.

**C. For Further Consideration Revisions & Cuts** - J. Balparda presented FY27 further consideration revision and cuts. He stated management does not recommend these cuts but if were necessary would result in a total increase in net income of \$45,000. J. Balparda stated this increase would come from: general admin, wellness benefits, outreach and communications and community incentive grant awards. P. Stabler stated he recommended not using these cuts. L. Eagan stated she was unsure if these cuts were needed at this time. Clarification was given on the total dollar amount of further consideration and cuts. Answering a question from P. Stabler, S. Reeves stated that \$95,000 is the budgeted amount for the community cleanup fund for FY27. P. Stabler asked for staff input on the possible revision to the community cleanup budget.

**D.CapEx** - J. Estey presented revisions to the CapEx budget, identifying several projects as as deferrable. The revised CapEx budget is \$235,000. He stated this reduction contributed to the deferral of the purchase of a roll-off truck to FY28. J. Estey stated that CapEx revisions are driven by the deferral of overhead structure repairs at Essex and South Burlington DOCs to FY28, a reduction in maintenance building repairs from \$100,000 to \$50,000 and the postponement of a service truck replacement to FY29.

**E. Total Potential Net Income Impact/ Savings** - J. Balparda presented an overview of the total potential net income impact and savings. Key revisions to FY27 would add \$465,000 to net income and would lower cash expenditures. The baseline revision to FY27 would add \$690,000 to net income and would lower cash expenditures. J. Balparda stated that CapEx saves \$475k with no impact to net income but lower cash expenditures. P. Stabler said for further consideration items would not be presented to the full board. P. Stabler stated the cumulative impact of \$1,630,000 is what is recommended to the full board. Answering a question from L. Eagan, S. Reeves stated this is a good start to repaying the \$3,000,000 and the remainder will be funded through short term financing. The full board will receive a copy of the for further consideration items presented.

### **Other Business**

Answering a question from L. Eagan, clarification was given on the process of warrant, checks and electronic payments. Answering a question from L. Eagan, S. Reeves stated the biggest risk item when building the MRF is the fire suppression system. J. Estey stated the equipment installation is risky because it has been in storage as well as excavation for the waterline extension.

The next Finance Committee is scheduled for May.

**RICK MCGRAW made a motion, second by LAUREN EAGAN to adjourn the meeting. Motion passed 3-0 at 6:59 PM.**

I agree that this is an original copy of minutes, and they have been approved by the Finance Committee at the meeting held via Zoom and in-person.

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Chittenden Solid Waste District

#4a

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**TEL** (802) 872-8100

**www.cswd.net**

## MEMORANDUM

TO: Board of Commissioners, Finance Committee  
FROM: John Balparda, Director of Finance  
DATE: May 5, 2026  
RE: Financial Policy Review and Proposed Changes

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### OVERVIEW

The attached financial policies have been revised as follows:

- Adapt internal controls over electronic payments to protect against potential fraud
- Adopt standardized terms such as, Fund, Reserve, Program, etc.
- Remove references to, or language implying the use of “Fund Accounting”
- Remove references to “appropriations” when relating to revenue derived from user fees
- Ensure that no conflict exists with the Charter (as amended May 1999)
- Align policy with current practice

The Payables policy has been revised to include requirements for accepting changes to banking information.

Throughout the policies, the terms “Fund”, “Reserve”, and terms used to describe “fund types” were inconsistent with the framework established at September 2025 meeting of the Finance Committee where the current definitions of terms was introduced (see “Warrant, Cash, and Reserve Balances for Jun25 REVISED dated August 4, 2025).

The Budget Policy and the Revenue Policy contain language related to Fund Accounting, such as, “enterprise fund” or “general fund”, and “appropriations” or “appropriated”. As CSWD does not utilize Fund Accounting, nor is it appropriate given the nature of CSWD operations and funding sources, mostly user fees.

I found no conflicts between the revised policies and the Charter. The Budget Policy has language added to align with the Charter related to when a community assessment is appropriate. This is the only section where the concept of “Appropriated Funds” is relevant.

An example of the current policy being out of alignment with current practice is in the Accounting & Reporting Policy. This policy states that the “Finance Committee shall review warrants for all accounts payable and approve expenditures with at least two affirmative votes”. The current practice is for the committee to review the warrant but there is no approval needed for the payments to be issued.

#4b



# FINANCIAL POLICIES

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# Financial Policies

## Purpose:

The Chittenden Solid Waste District's (CSWD) mission, as a union municipal entity, is to reduce and manage the solid waste generated within Chittenden County in an environmentally sound, efficient, effective, and economical manner. CSWD is responsible to its member municipalities to carefully account for public funds, to manage CSWD finances wisely, and to plan the adequate funding of services as guided and directed by the CSWD Board of Commissioners.

CSWD must ensure that it is capable of adequately funding and providing those government services desired by the member communities and their residents. This collection of financial policies, as set forth, is intended to establish guidelines for the continued financial strength and stability of CSWD and is augmented by a set of procedures.

## Definitions:

**Accounting System:** The application or process by which the Director of Finance manages the income, expenses, and other financial activities of CSWD.

**Base Price:** Purchasing price of Inventory from supplier, this total does not include any allocated labor or ancillary costs.

**Board of Commissioners ("Board"):** The entity, as established by CSWD's Charter, charged with governing CSWD.

**Chair:** Elected officer presiding over the Board of Commissioners to perform duties incident to the position and office as described in the Charter.

**Secretary:** Elected officer to record, maintain and distribute public records of Board meetings.

**Treasurer:** Elected disbursing officer of the Board with custody of CSWD funds.

**Vice-Chair:** Elected officer to perform the duties of the Chair in her/his absence.

**Chart of Accounts:** A system of labels, or "accounts" for certain types of financial transactions that can be assembled into financial reports in a manner that is consistent within CSWD. The Chart of Accounts has the following types of accounts:

**Accounts Payable:** Money owed by CSWD to its creditors.

**Accounts Receivable:** Money owed to CSWD.

**Allocated Expenses:** Expenditures assigned based on their function within CSWD.

**Assets:** Cash and capital accounts of economic value to CSWD.

**Capital Assets:** Major assets used in operations with an initial useful life beyond a single reporting period.

**Capital Reserve:** Funds set aside to meet the capital needs of CSWD.

**Inventory:** Items purchased by CSWD for resale.

**Liabilities:** Obligations of CSWD that are not yet paid or that may result in the need to pay.

**Net Position:** The difference between CSWD assets and its liabilities.

**Operating Expenses:** Expenditures incurred through normal operations, including personnel, goods, and services.

**Revenue:** Funds generated through CSWD primary operations and endowments.

**Transfers:** Funds reassigned to a different account.

**Charter:** The governing document of CSWD.

**Confidential or Sensitive:** In reference to records that may contain information that is legally required to remain restricted or that may contain private information that may jeopardize an individual or CSWD. This definition exists only for the nature of how records are destroyed and does not impact whether they may be destroyed.

**Consumables:** Purchases that are intended to be used up relatively quickly, typically replaced after depletion, but not held for resale.

**Designated Approver:** Individual authorized by the Program Manager to approve specified expenditures.

**Destruction:** An appropriate disposal of records.

**Director of Administration:** Individual hired by the Executive Director to manage human resources and the administration of CSWD.

**Director of Finance:** Individual hired by the Executive Director to manage the finances of CSWD.

**Director of Operations:** Individual hired by the Executive Director to manage the daily operations of CSWD.

**Executive Director:** Individual hired by the Board to operate CSWD.

**Fair Value:** A rational and unbiased estimate of the potential market price of an Asset.

**Finance Committee:** Members of the Board appointed to review finances of CSWD and oversee annual audit.

**Finance Department:** Personnel led by Director of Finance to manage CSWD Finances.

**Fraud:** A deliberate act or an intentional deception to misappropriate assets or to manipulate data for personal gain.

**Funds:** a claim on resources (or equity), primarily cash

Fund Type – classification of the fund; Designated and Restricted types are relevant for CSWD

- Designated funds are “ear marked” by management for a stated purpose

- Designated category is further classified by internal or external purpose
  - Designated for Internal Purposes – greater flexibility around usage
  - Designated for External Purposes – while not Restricted have more constraints around usage
- Restricted funds are amounts that can be spent only for the specific purposes stipulated by regulation, agreement, or external resource providers
- Restricted category is further classified by timing
  - Restricted – no definitive time frame
  - Temporarily Restricted – has definite timeframe

**Guidelines:** A document that gives general direction for making judgements when specific direction is not reasonable due to the nature of the work.

**Internal Controls:** Procedures designed to prevent or detect misstatements in the financial statements due to errors, omission, or fraud.

**Investment Committee:** Designated CSWD personnel and members of the Finance Committee appointed to review CSWD investments.

**Investment Manager:** An individual appointed by the Board to have discretionary authority to purchase and sell U.S. government backed securities without prior approval of the Investment Committee, and to purchase and sell corporate bonds and/or equity securities within the provisions as set forth by the Investment Policy.

**Permitted Investments:** Approved securities for investment of CSWD funds

**Procedure:** A document issued by the Program Manager giving general direction on how certain processes are to be performed.

**Program Manager:** Individual hired by the Executive Director to manage their designated program.

**Property & Equipment:** Assets used in operations with a value below the Capitalization threshold; may have a useful life beyond a single reporting period.

**Retention:** Storing of records either in paper or electronic form that preserves the integrity of the information contained.

**Reserves:** Excess cash plus positive working capital, or less negative working capital

**Solid Waste Management Fee:** Funds raised through Solid Waste Management Fees that are reallocated by CSWD, as needed.

**Source Document:** An original record which contains the details to support a transaction.

**Theft:** Any appropriation of CSWD property and/or services for purposes other than the performance of one's job duties.

**Vendor:** An entity that provides a product or service to CSWD.

**Warrant:** Documentation reviewed by the Finance Committee to give the right, but not obligation, to pay expenses.

**Whistleblower Policy:** Policy describing the protection of an employee who reveals illicit activity.

## **Standards:**

Governmental Accounting Standards Board  
Generally Accepted Accounting Principles  
Federal and State laws  
CSWD Charter

## **Policy Statement:**

Financial goals are broad, fairly timeless statements of the financial position CSWD seeks to attain. Financial policies support financial goals: they are general statements that guide decision making in specific situations to ensure a decision will contribute to the attainment of the financial goals.

The financial goals for CSWD are, but not limited to:

- delivering quality services efficiently and on a cost-effective basis providing full value for each dollar received.
- maintaining a budget that adequately finances operational costs
- maintaining an adequate financial base to sustain a sufficient level of municipal services, pertaining to the efficient, economical and environmentally sound management of solid waste generated by member municipalities and their residents.
- withstanding local and regional economic shock.
- adjusting to changes in the service requirements of the county and responding to changes in Federal, State, and County priorities and funding as they affect county residents.
- maintaining a good credit rating in the financial community to assure CSWD is well managed and financially sound.

The financial policies that follow are proposed to meet these goals and guide decision making in specific situations to ensure a decision will contribute to the attainment of the financial goals.

# Operating Position Policy

## Purpose:

The purpose of this policy to ensure CSWD's ability to:

- balance its budget on a current basis.
- maintain reserves for emergencies.
- maintain sufficient cash to pay its bills on a timely basis (liquidity).

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

CSWD shall seek to pay all current operating expenditures with current operating revenues. Budgetary procedures that fund current expenditures at the expense of future needs will be avoided.

CSWD will maintain the adequate reserves to:

- provide for non-recurring unforeseen expenditures of an emergency nature.
- provide orderly budgetary adjustments when revenues are reduced due to activities outside the control of CSWD.
- provide the local match for public or private grants that may become available.
- to meet unexpected increases in service delivery costs.

CSWD may, by Board approval, use additional fund balances for one-time capital or emergency expenditures only if:

- there are adequate balances remaining after all program and fund allocations are made.
- CSWD has made a rational analysis with justifying evidence that it has an adequate level of short- and long-term resources.

CSWD shall prepare monthly financial reports summarizing operating revenues and operating expenditures, as well as major balance sheet items to provide understandability, reliability, relevance, timeliness, consistency, and comparability.

## Procedures:

Financial Procedures and Controls

# Auditing and Internal Controls Policy

## Purpose:

The audit shall be conducted in compliance with Section 9 of the Charter (or as amended). The purpose of the audit shall be to deliver an objective independent examination of the financial statements to increase their value and credibility, and provide user confidence.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter  
Vermont Auditor of Accounts Checklist

## Policy Statement:

The Finance Committee shall oversee the annual audit and the auditor shall report to the Finance Committee directly. The auditor shall present the audit to the Board annually.

The Director of Finance, under the authorization of the Executive Director, shall create a set of accounting procedures that will allow CSWD to meet the requirements of the State of Vermont's Auditor of Accounts. The short checklist will be completed every fiscal year and shall be presented to the Finance Committee and be made available to the Board upon request. The checklist shall be acknowledged by the Finance Committee in a vote recorded at the first meeting of the fiscal year and shall be made available to the auditors.

CSWD's comprehensive internal controls shall:

- provide a favorable control environment.
- provide for periodic risk assessment.
- provide for the design, implementation, and maintenance of control activities.
- provide for effective information and communication.
- provide for ongoing monitoring of the effectiveness of control-related procedures, as well as the resolution of any potential problems identified.

In some cases of staffing shortages, some procedures may require adjustments and shall be disclosed to the Finance Committee and the auditors. Such adjustments to the procedures shall be designed so that no process is completed by a single individual and appropriate checks are made over any payroll or reimbursement disbursements to members of the finance staff. The Accounting System shall be designed in a manner that allows individuals access to only those features needed to perform their job function; the Director of Finance shall develop and manage the security on the system to meet this requirement.

## Procedures:

Financial Procedures & Controls

# Internal Audit Policy

## Purpose:

CSWD is responsible for ensuring that the organization operates both effectively and efficiently. CSWD is responsible for providing an accounting of their stewardship of the resources entrusted to their care. Personnel of CSWD must operate within certain constraints and are responsible for both ensuring and demonstrating compliance with these restraints.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

The Finance Department will process periodic reconciliations of all asset accounts. Errors or misrepresentations of financial data will be researched and resolved. Any unresolved errors will be shared with the Executive Director for further investigation.

CSWD processes a significant number of transactions in cash. Since many of these cash transactions occur at more than one site, the Finance Department may periodically perform unannounced cash audits on location. The audit will ascertain that:

- transactions involving cash or checks are performed in a reasonable and correct fashion.
- revenues generated from the transactions involving cash are readily available.
- facilities operators are held accountable and responsible for the process as established.

CSWD may conduct periodic load checks at facilities that generate CSWD revenues by estimating or costing various materials for disposal. These unannounced load checks are meant to ascertain the accuracy of charges regarding fees for various materials taken in by the facility. Load check reports will be submitted to the Finance Department.

Although the total value of CSWD's Capital Assets have no significant bearing on the fund balance, they are an integral part of the Balance Sheet and shall be reviewed annually for reasonable value. New Capital Assets will be added at their acquisition value. Deleted or sold Capital Assets will be removed at their disposal rate.

## Procedures:

Financial Procedures and Controls

# Financial Records Retention Policy

## **Purpose:**

This policy is established to assure that CSWD maintains all records of financial transactions to the standard recommended by the Secretary of State or greater, if determined necessary. This policy also allows for the destruction of records that are no longer needed or may be maintained in a manner that limits the space needed.

## **Standards:**

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter  
Vermont State Archives and Records Administration Schedule

## **Policy Statement:**

CSWD shall follow the guidelines as described in Vermont State Archives and Records Administration (as amended), assuring that all financial records are retained for the period defined in the schedules. Records shall be kept in a readily accessible manner and may be produced upon request by any person with rights to see the information. All confidential or sensitive records shall be retained in a location that will assure their safekeeping throughout their required retention.

The Director of Finance shall see that procedures are developed to destroy financial records of CSWD upon reaching the end of the retention period. At their discretion, the Board reserves the right to request certain records be retained for a longer period.

Individual transaction records may be retained by personnel for non-financial purposes. Records retained for the use of an individual are not considered financial records after their destruction date.

Upon reaching the end of the retention period, confidential or sensitive records shall be destroyed by shredding or other means that renders records unreadable.

This policy anticipates that the guidance will change and allows changes to the procedures accordingly. The Director of Finance shall inform the Finance Committee of any changes prior to destroying records.

## **Procedures:**

Financial Procedures & Controls

# Fraud Policy

## Purpose:

This policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against CSWD. It is the intent of CSWD to promote consistent organizational behaviors by its employees and representatives by providing guidelines and assigning responsibility for the development of controls and conduct of investigation.

This policy applies to any fraud or theft, or suspected fraud or theft, involving employee, business partners, or Board members. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position, or relationship to CSWD.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter  
VLCT Model Policy  
Vermont State Auditor's Financial Management Questionnaire Whistleblower Policy

## Policy Statement:

Program Managers, as designated by the Executive Director, shall attend continued education on the issue of Fraud. The Executive Director and all Program Managers shall encourage employees to report any suspected activity and have knowledge of the Whistleblower Policy.

Fraudulent activities are acts that are deliberate with intent, and may include, but are not limited to:

- any dishonest or fraudulent act.
- forgery or alteration of any document or account belonging to CSWD.
- forgery or alteration of a check, bank draft, or any other financial document.
- misappropriation of funds, securities, supplies, or other assets.
- impropriety in the handling or reporting of money or financial transactions.
- profiteering as a result of insider knowledge of CSWD activities.
- disclosing confidential and proprietary information to outside parties.
- disclosing to other persons securities activities engaged in or contemplated by CSWD.
- accepting monetary bribes/payments of any amount from contractors, vendors, customers, providing services/materials/funding to CSWD.
- accepting or seeking for personal gain anything of material value from contractors, vendors, customers, or persons providing services/materials/funding to CSWD.
- destruction, removal or inappropriate use of records, furniture, fixtures, and equipment.
- any similar or related inappropriate conduct.

Theft involves taking or inappropriate use of property or assets of CSWD for personal gain. This includes using services of CSWD without payment as charged to the general public.

Employees, business partners, and Board members are expected to act ethically and honestly at all times. Any actions that fail to meet up to the standard shall be subject to the disciplinary standards as outlined in their related policies.

Any employee or Board member witnessing, suspecting, or hearing about fraudulent activities or theft must report their findings. An investigation shall be conducted by a party uninvolved in the accusation and within a higher level of the organization or outside the organization, whichever will yield the most accurate results.

Fraud by management or Board members shall always be investigated by agent outside of CSWD. Investigations shall be conducted in a confidential manner. Anyone accused of fraud or theft shall be presumed innocent. However, if a threat is deemed significant by the Executive Director or CSWD's attorney, CSWD may take preventative action by suspending an individual from CSWD property until the issue is settled.

All criminal or suspected criminal activity shall be reported to the local law enforcement agency. All aspects of the Whistleblower Policy remain in effect, except as specifically noted herein.

## **Procedures:**

Financial Procedures & Controls  
Whistleblower Policy

# Accounting & Reporting Policy

## Purpose:

This policy is established to assure that CSWD maintains all records of financial transactions in a manner that complies with legal and regulatory requirements and reflect best practices for accounting systems. Following this policy should reduce the risk of materially misrepresenting CSWD finances and the possibility of fraudulent activity while recording transactions or paying invoices.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

CSWD shall operate as a single enterprise fund. Designated and Restricted Funds will be tracked and reported separately.

The Executive Director shall adopt practices that comply with generally accepted accounting principles (GAAP) and with the requirements of the Government Accounting Standards Board (GASB). These practices will be tested annually through the auditing process. The Executive Director shall establish the management structure of CSWD. The financial system shall use that structure to track and report financial performance. Transactions will be recorded to a specific program so that each Program Manager can see the financial performance against the budget.

The Director of Finance, under the authority of the Executive Director, shall create a Chart of Accounts that will enable tracking funds. The Chart of Accounts will be used consistently in every program, assuring that all like transactions are recorded in the same manner. The organization of the Chart of Accounts should allow for rolling up reports into the following accounts:

- Revenue
- Expenses
- Assets
- Liabilities

### Net Position

The Board shall receive a monthly report on the Fund Balances, Reserves, and Warrants . The Board will also receive a report on the Warrants reviewed by the Finance Committee during the previous period. The purpose of this report is for the Board to understand how much cash is designated for use compared to cash available for use as operating reserves.

The Finance Committee of the Board of Commissioners shall receive quarterly reports outlining the performance against the prior year and the budget.

The Finance Committee shall always present a level of oversight of CSWD finances. Requests for additional or specialty reports from Commissioners shall be submitted to the Board Chair for consideration.

The Finance Committee shall review warrants for all accounts payable.

**Procedures:**

Financial Procedures and Controls

# Budget Policy

## Purpose:

Budgets are a plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. CSWD adopts an annual budget for all its programs. Annual budgets shall be prepared in accordance with the Charter (as amended).

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

CSWD's fiscal year shall be the period from July 1 of one year to June 30th of the next. Budgets are prepared on a basis consistent with generally accepted accounting principles. Annual operating budgets are adopted for the all programs ( administrative, operating, and other) and a capital expense budget is adopted for all planned significant asset purchases. Project-length financial plans shall be adopted for all significant capital projects.

Restricted Funds represent those portions of net equity not available for administrative or operating expenditures or are legally segregated for a specific future use. Designated Fund are "ear marked" by management and the Board for a stated internal or external purpose.

CSWD's Executive Director may, at any time during the fiscal year, transfer any unused budgeted amounts among programs or accounts within a program under her/his supervision to the extent authorized by the Board. Any significant budgetary transfers across programs or having a significant impact upon internally designated funds shall be reported to the Board, as early as practical. at or prior to the next Board meeting. All unexpended budget amounts shall lapse at the close of the fiscal year with n carry or encumbrances.

In the event, either from sale, authorized donation, authorized internal use, destruction or theft, an essential asset is depleted, CSWD's Executive Director may, at any time during the fiscal year, increase expenditures to the extent authorized by the Board. Any significant budgetary deviations shall be reported to the Board as early as practical.

In the event that the projected user fee revenues included in any fiscal year budget will not be sufficient to meet the needs of the District, the Board shall assess the member communities an amount equal to the projected shortfall in accordance with the Charter (as amended). Any such sums appropriated via an assessment will be accounted for in a separate line item within a specific Program and a related Designated Fund. All assessments will be accounted for, reported, and utilized in accordance with the Charter (as amended).

## **Procedures:**

Financial Procedures and Controls

## **Cash Policy**

### **Purpose:**

The timely deposit and investment of CSWD moneys is an important fiscal responsibility. This policy provides general guidance on responsible cash handling.

### **Standards:**

Generally Accepted Accounting Principles  
Government Accounting Standards Board

Federal and State laws  
CSWD Charter

### **Policy Statement:**

CSWD will deposit its moneys only in bank or trust companies located and authorized to do business in Vermont; and authorized as an official CSWD depository by the Board.

CSWD will deposit daily revenues in a timely manner, guided by the financial procedures and doing so with as much expedience as possible.

CSWD will invest its moneys only in those investment vehicles authorized by State statutes and the Board as outlined in the Investment Policy.

CSWD will collateralize all deposits and investments at one hundred (100%) percent of the market value of such deposits and investments.

Disbursements, collections and investments will be managed to provide sufficient cash for daily financial needs. CSWD will prepare a cash balance report on a monthly basis. CSWD will prepare a cash flow analysis of all funds periodically.

### **Procedures:**

Financial Procedures and Controls

# Revenue Policy

## Purpose:

CSWD receives revenue from several types of transactions. Revenues determine CSWD's capability to maintain operations and provide services. This policy provides guidance to the protection of revenues.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

At all times, CSWD will maintain procedures that adequately account for the efficient and responsible safeguard of revenues and assets. CSWD will strive to maintain a diversified and stable revenue base as protection from short-term fluctuations in any one revenue source and will seek to develop additional revenue sources whenever possible. CSWD will project revenue for the Administrative and Operating Programs each year as part of the budgeting process. Revenue estimates will be conservative and developed in an objective and reasonable manner.

The Operating Programs will strive to generate sufficient revenue to fully support the day-to-day operations across all Operating Programs taken as a whole. In the event of a shortfall, the Executive Director shall approve the use of the Solid Waste Management Fee to subsidize the Program.

Restricted Funds shall be used only for those purposes designated by the imposed restrictions. CSWD will use Capital Funds to finance capital projects. Proceeds from the sale of CSWD Property and Equipment, when not otherwise earmarked or legally designated to another Restricted Fund, shall be transferred to the Capital Fund, unless otherwise approved by the Executive Director.

## Procedures:

Financial Procedures & Controls

# Receivables Management Policy

## Purpose:

This policy shall be adopted to guide CSWD in the efficient and effective collection of charges and amounts due CSWD and shall not be interpreted to modify, negate or abrogate any provision of CSWD's Solid Waste Management Ordinance.

The purpose of this policy is to ensure that CSWD

- collects payment for providing a product, a service, the use of a facility, a right, or a privilege.
- grants credit only if it benefits CSWD by fostering social or economic programs, for instance when credit is the only acceptable way of operating in a particular market.
- records all accounts receivable in the CSWD accounting system.
- takes prompt and vigorous collection action to keep accounts receivable at a minimum.

The objective of this policy is to ensure that all CSWD accounts receivable are managed efficiently and effectively, consistent with CSWD's purpose and powers set forth in the Charter.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter  
Vermont Unclaimed Property Statute

## Policy Statement:

The maximum time period to be allowed before a delinquent account is placed on cash only basis at all CSWD facilities and facilities with CSWD-licensed scales shall be 60 days. A monthly interest rate may be charged. CSWD reserves the right to charge a fee in accordance with CSWD's Solid Waste Management Ordinance.

CSWD may grant credit and charging privileges to a customer for the sale of goods, services, use of facilities, rights, and privileges that it may provide. Consistent with CSWD's Solid Waste Management Ordinance, CSWD will consider granting credit privileges only after the potential debtor's credit status is deemed satisfactory.

As part of the credit process, CSWD will:

- provide terms of credit.
- determine the acceptable level of credit risk.
- issue invoices when goods, services, use of facilities, rights, and privileges are not paid for when provided.

CSWD will maintain a reserve for uncollectible accounts receivable. At the end of each fiscal year, CSWD will evaluate the collectability of receivables and determine an appropriate allowance for uncollectible accounts. Adjustments to the allowance for doubtful accounts will require:

- an analysis of outstanding, aged accounts receivable.
- historical collection and bad debt knowledge.
- evaluations of specific accounts based on discussions with the department that originated the revenue resulting in the receivable.

Year-end adjustments to the reserve for uncollectible accounts shall be performed only with authorization from the Finance Director. This reserve account is used in the following year to write-off those items that are deemed uncollectible from the prior year after further collection efforts have been abandoned, as described earlier.

CSWD's policy is to provide that:

- accounts receivable is accurately and promptly recorded in the accounts of CSWD.
- there are proper internal controls over accounts receivable.
- accounts receivable form an integral part of the CSWD accounting system.
- accounts receivable systems include all debts and other claims that are due.
- the accounts receivable system provides a complete audit trail that permits tracing of all transactions relating to an account receivable, from the transaction that gave rise to the debt to its final settlement.
- once an amount owing has been recorded in the CSWD accounts, it is not deleted from these accounts until the Finance Department has received full payment or has properly authorized a remission or other forgiveness, a write-off, or a cancellation.

From time to time, credits against accounts receivable from overpayment or billing adjustments will occur. All available means of redeeming the credit through reduced future payments will be exhausted before a refund check is issued. If a credit is deemed unusable, the Director of Finance will initiate CSWD check return procedures, including notification to the Finance Committee.

Checks return to CSWD uncashed will be submitted to Vermont Unclaimed Property three years after issuance, per Vermont Unclaimed Property Presumptions of abandonment statute 27 V.S.A. §1242.

CSWD will routinely process and collect charges for services, goods, and/or disposal charges by issuance of receivables invoices. Finance charges on a monthly basis will be assessed as long as the account is in arrears and unpaid. CSWD reserves all the rights and remedies available to it under applicable law.

CSWD will:

- take effective collection action on all accounts receivable.
- account for all collections.
- manage the accounts receivable collections to ensure prompt collection
- provide control over the collection of returned checks from banking institutions or equivalent
- use whatever collection method is appropriate and cost effective in each circumstance.

All available means of collecting accounts receivable will be exhausted; however, if an account receivable is deemed uncollectible the Director of Finance will initiate CSWD write-off procedures, including notification to the Finance Committee.

After a write-off has been processed, appropriate individuals in the originating department will be advised to ensure that further credit is not granted, and the master list of bad accounts is updated. Customers listed as poor credit risks will be extended future credit only if their back debt is paid, and the customer is no longer deemed a collection problem.

## **Procedures:**

Financial Procedures & Controls

# Nonsufficient Funds Policy

## Purpose:

CSWD will routinely process and collect charges for services, goods, and/or disposal charges by issuance of check or other noncash payment. From time to time, a customer will provide a payment by check with insufficient funds.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

Finance charges for payments returned by the bank may be assessed as determined by the Director of Finance.

CSWD will:

- take effective collection action on all accounts receivable.
- account for all collections.
- manage the accounts receivable collections
- provide control over the collection of returned checks from banking institutions or equivalent
- use whatever collection method is appropriate and cost effective in each circumstance.

CSWD reserves all the rights and remedies available to collect the returned payment under applicable law.

All available means of collecting accounts receivable will be exhausted before write-off procedures are initiated. If an insufficient payment is deemed uncollectible, the Director of Finance will initiate CSWD write-off procedures, including notification to the Finance Committee. After a write-off has been processed, appropriate individuals in the originating department will be advised to ensure that further credit is not granted, and the master list of bad accounts is updated. Customers listed as poor credit risks will be extended future check writing privileges only if their back debt is paid, and the customer is no longer deemed a collection problem.

## Procedures:

Financial Procedures & Controls

# Expenditure Policy

## Purpose:

Expenditures are a rough measure of CSWD's service output. The expenditure policy attempts to measure how effective the services are and how efficiently they are delivered.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

CSWD will maintain a balanced annual operating budget in all general governmental funds and will integrate performance and productivity measures into the budget, where possible. CSWD will maintain a budgetary control system which shall enable it to adhere to the adopted budget.

CSWD shall strive to pay all current operating and maintenance expenses from all sources of current revenue. CSWD shall determine the cost of all externally mandated services, including overhead, and seek complete reimbursement where programs exist for reimbursement. Whenever and wherever greater efficiency and effectiveness can be expected, CSWD will advocate the delivery of services, in whole or in part, by other public and private organizations. CSWD will seek arrangements to share services with other municipalities where cost reductions can be achieved and where the quality of service will not be endangered.

CSWD will provide adequate funding for all personnel benefits in the annual operating budget. Whenever possible, CSWD will utilize technology and productivity advancements that will help reduce or avoid increasing personnel costs.

CSWD will maintain a payment review and approval process with special emphasis on timeliness in meeting its commitments to vendors and creditors, consistent with the Payables Policy.

CSWD will maintain an effective risk management program to minimize losses and reduce insurance costs.

## Procedures:

Financial Procedures and Controls

# Credit Card Usage Policy

## Purpose:

Credit cards provide a convenient, efficient method of obtaining goods and services for CSWD. However, by their nature, credit cards potentially provide an opportunity for unauthorized purchases and fraudulent activity. The purpose of this policy is to establish criteria for the proper use of credit cards when conducting CSWD business.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

The Board will establish and approve the total credit limit for all CSWD credit cards. Within this overall total credit limit established by the Board, the Executive Director will determine which personnel of CSWD will be authorized to be issued a credit card, and what credit limit will be established for each cardholder's account. Individual authorized personnel shall sign a statement acknowledging receipt of this policy, which will be retained in his/her personnel file.

Credit cards issued under this policy may be used solely for the conduct of CSWD business. Credit cards may not be used for personal purchases or cash advances. Additionally, a cardholder may not make purchases that exceed his/her authorized credit limit. A cardholder who makes unauthorized purchases or advances will be liable for the amount of such purchases or advances, plus any administrative fees charged by the bank in connection with the misuse. CSWD reserves the right to recover amounts for unauthorized charges and associated fees through payroll deduction from the responsible individual's payroll earnings. Individuals may be subject to disciplinary action for misuse of a CSWD credit card, up to, and including, termination. Authorized credit cardholders are responsible for their card's protection and custody and shall immediately notify the Director of Finance and the credit card company or bank if the credit card is lost or stolen.

For each purchase, the cardholder shall retain and submit to the Finance Department vendor confirmation of the purchase (e.g., paid receipt, confirmation, etc.) which itemizes the goods or services purchased, the cost, and the date of the purchase. Additionally, the documentation must include the official business purpose for which the item was purchased, the budgetary account to be charged, and approval by the Program Manager. This support documentation shall be submitted within a reasonable time after the date of the purchase. Preceding separation from CSWD employment, the cardholder will surrender the credit card to the Director of Finance.

## Procedures:

Financial Procedures and Controls  
Credit Card Acknowledgement Form

# Payables Policy

## Purpose:

The purpose of this policy is to provide safeguards for maintaining the quality and integrity of the accounts payable system.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter  
Personnel Policy

## Policy Statement:

Funds should be expended only for essential CSWD business. CSWD is exempt from paying sales tax and therefore must be diligent in ensuring expenses are qualified expenditures.

All vendors must be authorized by the Director of Finance. Parties seeking to obtain qualified vendor status with CSWD must complete and return the appropriate documentation as described in the corresponding Procedure.

All vendor payments will be made by paper check unless specifically stated that an electronic payment is required within a contract or an addendum. In these cases, the banking information must be included within the contract terms or as an addendum at the time of signing. Any changes to previously provided banking information will only be accepted as a standalone contract amendment or if incorporated as part of a broader amendment to an existing contract. A copy of any new contracts must be provided to the Finance Department once fully executed.

In a case where a new contract or amendment is not feasible, such as the VT Bond Bank or other loans, the change must be embodied in a document approved by both the Executive Director and the Director of Finance. In these circumstances, the new banking information must be independently verified via a phone or video call.

Upon receipt of a bill, it is the responsibility of the Program Manager to:

- assess the validity of the bill received. This includes the vendor name and payment address, actual product or service description, delivery dates, terms, cost and mathematical accuracy. Any errors on the invoice must be clearly marked.
- have a Program Manager or Designated Approver of the department sign, date and encode the bill with the appropriate full general ledger account number. This approval validates that the bill represents a product or service with a purpose.
- forward the approved bill to the Finance Department within an appropriate time to take advantage of offered discounts when applicable or to otherwise meet the minimum terms. A bill received in the Finance Department signifies that the approving department is validating the expense and all data on the bill.

Generally, approval of a bill and payment should occur after the product/service is received. Payment by CSWD must be supported by a source document, which, in most instances, is an independent bill, contract and/or check request. The bill represents confirmation from a third-party that a product or service was provided to CSWD. All requests for reimbursement must contain the underlying detail that comprises the total expense incurred.

The Finance Department will make payments to vendors with sufficient time to either take advantage of offered discounts, or to comply with the terms noted on their respective bill. This is impacted by factors including the timely receipt of a valid, approved bill, purchase order and/or contract, and whatever additional documentation is necessary. While it is important to comply with the vendor's terms for continued favorable pricing and relationship maintenance, CSWD must also be cognizant of fundamental cash management and attempt to limit the time a bill would theoretically remain "prepaid." CSWD allows for some employee reimbursements. For all reimbursement requests, the appropriate form(s), as well as a receipt must accompany all expense claims. Some expenses, while ordinary and necessary for an employee's work, are considered personal, living or family expenses and thus cannot be paid or reimbursed. Common examples are regular commuting expenses, spousal travel, and reimbursement for certain clothing. Payment of such personal expenses constitutes taxable income to the recipient. Certain de-minimis benefits, defined as any property or service that is provided to an employee that has so little value that accounting for it would be unreasonable or administratively impracticable, may be provided tax free.

The Finance Department will calculate and make payable personnel compensation as described in the Personnel Policy managed by the Director of Administration. The Executive Director, Director of Administration, Treasurer of the Board and the Chairperson of the Board, are authorized to sign checks on behalf of CSWD.

Payables will be included in the biweekly warrant reported to the Finance Committee.

## **Procedures:**

Financial Procedures and Controls

# Capitalization Policy

## Purpose:

This policy is established to define the terms, accounting practices and procedures that will ensure effective and accurate control of the Capital Assets of CSWD, assure CSWD complies with the requirements of appropriate laws, and assure that an accurate record keeping system is in place to protect and properly insure assets in the event of loss.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

The Finance Department is responsible for procuring asset documentation from the appropriate Program Manager. All purchase requisitions must be completed by the department requesting the purchase and approved by the Program Manager.

Assets and goods fall into three (3) major categories:

- capital assets
- consumables
- property & equipment

Capital Assets may include land and land improvements, buildings and building improvements, equipment, construction in progress, infrastructure and other tangible or intangible assets with a value greater than \$25,000, including ancillary costs as determined by the Finance department working closely with the purchasing department managers and directors.

The cost of a Capital Asset includes the acquisition price plus the expenditures necessary to place the asset in its intended location and condition for use. Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives. Donated or contributed assets are recorded at fair market value as of the date the asset is acquired, or for infrastructure, the estimated cost of construction. Capital Assets must be acquired and put into service prior to depreciation.

Consumables will be monitored for misappropriation but are not required to be cataloged. Property & Equipment, as determined by the finance team will be cataloged.

## Procedures:

Financial Procedures and Controls

# Capital Programs Policy

## **Purpose:**

CSWD invests strategically in its Capital Assets. These assets must be properly maintained and replaced over time to maintain the level and quality of services provided to the public.

## **Standards:**

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## **Policy Statement:**

CSWD will prepare an annual capital improvements program as part of the normal annual budget process. CSWD will base all capital improvements on long-term needs in order to minimize future maintenance and replacement cost. CSWD will coordinate the development of the capital improvement program with the annual operating budget in order to maintain reasonably and stable financial projections and needs.

CSWD will estimate and consider future maintenance needs for all new equipment and capital facilities prior to deciding to proceed with the project. CSWD will identify the funding source for each capital improvement prior to deciding to proceed with the project. Intergovernmental and private sources will be sought out and used as available to assist in financing capital improvements.

CSWD will provide for the adequate maintenance of capital assets and equipment in the annual capital or operating budgets.

CSWD will project all equipment replacement and maintenance needs each year for at least the next three (3) years. A maintenance and replacement schedule based on this projection will be developed and followed.

## **Procedures:**

Financial Procedures and Controls

# Debt Management Policy

## Purpose:

Debt is an effective way to finance capital improvements, but its misuse can cause serious financial problems. This purpose of this policy is to reduce the risk of short- and long-term borrowing.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

CSWD shall not use short-term borrowing to finance operating needs except in the case of extreme financial emergency. Short-term borrowings shall include budget and revenue anticipation notes.

CSWD shall use long-term debt for only those Capital Assets that cannot be readily financed from current revenues or other outside revenue sources, or in the event doing so would provide greater economic value. The final maturity date for any long-term debt will not exceed the expected useful life of the Capital Asset so financed. Long-term debt agreements shall be limited to the constraints set forth by the Charter.

CSWD may use special assessments, revenue bonds, other available self-liquidating debt instruments or general obligation bonds whenever possible and appropriate.

CSWD shall encourage and maintain good relations with financial and bond rating agencies and shall follow a rule of full and open disclosure on every financial report and bond prospectus.

## Procedures:

Financial Procedures and Controls

# Investment Policy

## Purpose:

The purpose of this policy is to establish investment guidelines that will allow CSWD's funds to be invested in a prudent manner to maintain a balance between the required liquidity and desired growth, consistent with the use of public funds. This Investment Policy includes all investment activities of all funds of CSWD. It is intended that this policy will provide meaningful guidance in the management of CSWD's available funds and will not be overly restrictive.

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

## Policy Statement:

The Investment Committee will consist of the CSWD Finance Committee (including, Chair of the Board), Executive Director and the Director of Finance.

The Investment Committee is responsible:

- for recommending to the Board the retention of a competent professional investment manager, as may be deemed necessary in order to accomplish the desired objectives.
- for monitoring the Investment Manager's performance in accordance with investment objectives and shall review any and all investment instruments recommended by the Investment Manager.
- for review of the investment portfolio and making decisions regarding reinvestment of available funds, subject to policy guidelines. Portfolio changes will take place as necessary in order to achieve investment objectives; approved changes will be communicated to professional Investment Manager for execution.

The CSWD portfolio will be managed with the:

- preservation of capital and protection of principal.
- maintenance of sufficient liquidity to meet operating needs.
- security of CSWD funds and investments.
- diversification of investments to avoid unreasonable or foreseeable risks.
- maximization of return on the portfolio.

The Investment Manager shall value investments at least quarterly at the market price and meet annually with the Investment Committee to:

- review past investment performance, evaluate the current investment outlook, and discuss investment strategy.
- provide information regarding major changes in investment policy that may result in major investment strategy changes.

- review any significant changes in management, research, personnel, or ownership within the investment management firm.
- notify the Investment Committee of the need to modify the list of Permitted Investments.

The Investment Committee will receive quarterly portfolio performance reports from the Investment Manager. Material changes in performance and actions taken between quarterly reports, if any, will be noticed to the Board Chair within 5 business days.

The Investment Committee will report portfolio performance at least annually to the full Board.

The Investment Committee will review the investment policy on a periodic basis and any recommendations for change will be brought to the full Board.

CSWD may invest monies held in any funds and accounts in Permitted Investments. Subject to the restrictions listed in this Policy and consistent with the Investment Objectives of the funds, the Investment Manager shall have discretion as to the asset mix between equities, fixed income and cash equivalents. It is anticipated that portfolio turnover will be very low.

Money held for the credit of any fund or account of CSWD may be invested and reinvested as determined by CSWD in Permitted Investments. Any such investment shall mature not later than the respective date or dates when it is expected that the money held for the credit of such fund or account will be required for the purposes intended in the establishment of such fund and/or account.

Unless otherwise designated or directed by the Director of Finance, investment earnings or interest accruing on any money credited to any fund or account invested shall be deemed at all times to be a part of such fund or account, and any loss resulting from such investments shall be charged to such fund or account.

Whenever a payment or transfer of money between two or more funds or accounts established by CSWD is permitted or required, such payment or transfer may be made in whole or in part by transfer of one or more Permitted Investments.

The Investment Manager is encouraged to place a high priority on any acceptable permitted available local or regional investment opportunities, as well as opportunities that are consistent with CSWD's mission.

"Permitted Investments" include the following securities, if and to the extent the same are at the time legal for investment of CSWD funds:

- Certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States:
  - direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States.
  - debentures of the Federal Housing Administration.
  - guaranteed mortgage backed bonds of the Government National Mortgage Association.
  - certificates of beneficial interest of the Farmers Home Administration.

- obligations of the Federal Financing Bank.
- project notes and local authority bonds of the Department of Housing and Urban Development.
- Investments in:
  - senior obligations of the Federal Home Loan Bank System.
  - participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation.
  - mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par on the portion of unpaid principal) of the Federal National Mortgage Association.
  - senior obligations of the Student Loan Marketing Association.
- SEC-registered money market mutual funds conforming to Rule 2a-7 that invest primarily in direct obligations issued by the United States Treasury and repurchase agreements backed by those obligations rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service.
- Certificates of deposit of any bank trust company or savings and loan association which certificates are fully insured by the Federal Deposit Insurance Corporation or any other similar United States governmental deposit insurance program.
- Commercial paper rated, at the time of purchase, P-1 or better by Moody's Investors Service and A-1+ or better by Standard & Poor's Corporation.
- Equity Securities, provided such securities are:
  - diversified: the equity portfolio should be well diversified to avoid undue exposure to any single economic sector, industry group, or individual security. No more than 10% of the entire District investment portfolio shall be invested in equities securities.
  - of quality and marketability. the equity portion of the portfolio shall be invested in well diversified Mutual Funds or Managed Accounts with an investment record of at least 5 years.
  - diluted by Issuer: no more than 5% of the equity portfolio, at cost, shall be invested in the securities of any one issuing corporation at the time of purchase, nor shall investments in any corporation may not exceed 5% of the outstanding shares of the corporation.
- Corporate Fixed Income Securities: the purchase of investments in this category shall be limited to those securities that are classified in one of the top four rating categories by Standard & Poor's or Moody's Investor's Services. No purchases shall be made which would cause holdings of any one issue to exceed 5% on a cost basis or 7-½ % on a market value basis of the total funds under management.

Additionally, CSWD may invest any funds that are held and pledged to secure outstanding bonds or similar debt instruments of CSWD in accordance with the bond resolution or similar approving documents that authorized and established the terms for the issuance of such bonds or debt obligations.

The Investment Manager is prohibited from investing in securities other than those identified as Permitted Investments in this policy.

Prohibited investments include, but are not limited to, commodities, private placements, letter stock, and real estate or engaging in short sales. The Investment Committee may, from time to time, further

direct that the Investment Manager not invest in any securities or investments of specific companies or issuers where the investment presents an apparent or potential for a conflict of interest, or where the company or issuer engages in business practices or activities that are inconsistent with the goals and purpose of CSWD.

The Investment Manager shall serve at the pleasure of the Board and may be changed by the Board at any time.

**Procedures:**

Financial Procedures and Controls

# Reserves Policy

## Purpose:

This policy is established to assure that CSWD tracks, maintains adequate balances, and reports on Fund and reserves as determined by the Board.<sup>1</sup>

## Standards:

Generally Accepted Accounting Principles  
Government Accounting Standards Board  
Federal and State laws  
CSWD Charter

Policy Statement: Designated funds are “ear marked” by management and approved by the Board for a stated purpose which can be classified as internal or external. Funds Designated for Internal Purposes allow greater flexibility around usage, while Funds Designated for External Purposes have more constraints around usage. The balances to be maintained within each designated fund shall be approved by the Board, and may be changed at any time by Board approval.

**Restricted Funds** include resources subject to constraints. Due to the nature of their restriction, expenses must be tracked at all times to prove the funds are used as the granting agency authorized. In accordance with the rules or terms of the funder, these reserves shall be accounted for monthly and reported to the Board.

Reserve balances and purposes will be established by Board approval, and may be amended as needed by the Board.

## Procedures:

Financial Procedures & Controls

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<sup>1</sup> Designated Funds, Restricted Funds, and reserves with their corresponding description will be maintained by the Finance Department.

SUBMITTED FOR APPROVAL BY BOARD OF COMMISSIONERS:

APPROVED BY BOARD OF COMMISSIONERS:

EFFECTIVE:

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Signature  
Chair, Board of Commissioners  
Chittenden Solid Waste District

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Date



Chittenden Solid Waste District

#5

**ADMINISTRATIVE OFFICE**

19 Gregory Drive, Suite 204  
South Burlington, VT 05403

**EMAIL** info@cswd.net

**TEL** (802) 872-8100

**www.cswd.net**

## MEMORANDUM

TO: Board of Commissioners, Finance Committee  
FROM: John Balparda, Director of Finance  
DATE: May 5, 2026  
RE: Financial Controls Summary

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### OVERVIEW

Financial Controls are summarized below by area. This summarizes many highly detailed procedures maintained by the Finance Team. The focus is on segregation of duties, oversight and review.

**Internal Controls:** Procedures designed to prevent or detect misstatements in the financial statements due to errors, omission, or fraud.

- Money In
  - Cash receipts
    - Cash transactions take place mostly at the Drop-Off Centers (DOCs)
    - Point of sale (POS) operators perform a daily cash out at the end of each day
    - All cash is deposited at local bank branches daily. In the rare event that the deposit cannot be made, the cash is kept in a safe overnight
    - The Accounting Specialist – Accounts Receivable will import the POS transaction data into NetSuite and agrees the daily bank deposits per the bank transaction detail to the POS cash out and transaction reports
    - Any discrepancy is investigated
  - Account Receivable
    - Sales “on account” occur at the DOCs, the Organics Recycling Facility (ORF), Materials Recycling Facility (MRF), landfill (SWMF), and Biosolids
    - Third party data is received, usually via an emailed Excel spreadsheet detailing the sales and customers at the MRF, landfill, and Biosolids
    - POS data from the DOC is imported into NetSuite. and manually entered from the ORF
    - The Accounting Specialist – Accounts Receivable will agree the third-party data and the POS detail to the scale tickets
    - Once reconciled, the Accounting Specialist – Accounts Receivable will record the sale in the Account Receivable subledger and prepare sales invoices which are either mailed or emailed

- The mail is opened by the Administrative Assistant, and any inbound checks are scanned and added to a deposit slip
- The Administrative Assistant will make the deposit at a local bank branch
- The scanned checks and copy of the deposit ticket are delivered to the Accounting Specialist – Accounts Receivable who will enter them in the NetSuite Accounts Receivable subledger
- The Accounting Specialist – Accounts Receivable will also agree the deposit ticket total and date to the online bank detail
- New Customer Acceptance
  - Any New customers are subject to a credit acceptance process performed by the Accounting Specialist – Accounts Receivable
  - The Accounting Specialist – Accounts Receivable will set the credit limit and terms (net 30 is default) in NetSuite
  - All new customers and related terms are approved by the Director of Finance
  - New customers are then added in NetSuite by the Accounting Specialist – Accounts Receivable
- Money Out – Disbursements
  - Expense authorization (“spend authority”)
    - Each Program Manager or their designee (“predesignated approver”) has spend authority per the approved budget and initiates a purchase
    - The mail is opened by the Administrative Assistant, and any purchase invoices are delivered to the Accounting Specialist - Accounts Payable and any emailed invoices received outside of Finance are forwarded to the Accounting Specialist - Accounts Payable
    - The invoices are then entered in the NetSuite Accounts Payable subledger including the general ledger account coding (to be approved by the predesignated approver)
    - The predesignated approver for the relevant program will be notified according to their NetSuite settings that an invoice requires their approval, including the account coding
    - Invoices of \$15K or more require additional approval by the Executive Director
    - Once all the approvals are received, the invoice is added to the bi-weekly check run
    - The Accountant will review the NetSuite Check Run Status report for reasonableness, following up on any unusual items
  - Check Signing
    - The checks are then printed, the support is compiled, and the checks with support are delivered to the Director of Administration and/or the Executive Director for signature
    - Any check totaling \$25K or more must have two signatures

- The Director of Administration, the Executive Director, the Board Treasurer, and the Board Chair are authorized signatories
- Once the checks are signed, the Administrative Assistant will prepare the envelopes and mail the checks
- “Positive Pay” function
  - Once the checks are printed, the Accountant will export a CSV file from NetSuite and upload the file to the e-banking platform
  - The Positive Pay function compares the date, check number, and amount of any check presented at the bank to the uploaded CSV file
  - A Positive Pay - Payee function that went live 5/7/26 will also compare the payee’s name on the check to the exported file, providing enhanced security and fraud protection.
- Electronic Payments
  - When an electronic payment is required, the banking data is received, generally via email
  - The Accountant will create an ACH or Wire template in the e-banking system
  - The Director of Finance will compare the template to the banking information
  - Once the payment is due, The Accountant or the Director of Finance will initiate the payment using the template
  - The wire or ACH must be approved by a “non-initiating” team member (the initiator cannot approve the payment)
- Credit Cards – Internal Use
  - Program Managers request an employee be issued an individual credit card
  - All card issuance requests are approved by the Executive Director
  - Any new card issuances are entered into the e-banking system by the Director of Finance
  - The total organization’s credit limit is approved by the Board (NOTE: the total credit limit can only be changed by bank personnel)
  - The organization’s total limit is allocated across the various card holders based upon the expected usage with temporary limit changes entered by the Accounting Specialist – Accounts Payable
  - The cardholders must provide the Accounting Specialist – Accounts Payable receipts for all purchases
  - Any unusual or undocumented transaction is investigated
- Payroll
  - Onboarding and Changes

- New hire data (name, department, work location, pay rate, etc.) is entered into the payroll system by the Administrative Assistant or HR Coordinator
- The new hire will enter personally identifiable information (SS#, direct deposit, address, and contact info) into the payroll system
- Once eligible, the new hire will elect benefits via the payroll system
- Any changes to pay rate, position, or department are entered by the Director of Administration or HR Coordinator
- Time sheet submission and approval
  - Employees enter in and out times on their bi-weekly timesheet within the payroll system
  - Any time off (vacation, sick, or comp time) requests are submitted in the payroll system to be approved by the supervisor
  - Once the timesheet is complete, the employee will submit and approve the timesheet
  - The timesheet is then approved by the supervisor
- Payroll Processing
  - Once all the timesheets are approved, the Accountant will initiate the pay run in the payroll system
  - Once the pay run is prepared, the Accountant will review the deductions (mostly benefits), and enter certain benefits deductions
  - Expense Reimbursements are handled through payroll
    - An expense report supported by receipts must be approved by the supervisor
    - Approved expense reports are submitted to the Accountant who reviews them and enters the reimbursement amount in payroll
- Payroll Review and Approval
  - Once the Accountant has reviewed and prepared the pay run, the Director of Finance will review and approve for processing
- Payroll Related Disbursements
  - Most payroll related disbursements are auto ACH debits. , Retirement and HSA deductions are remitted via manual ACHs (see Electronic Payments above)
- Treasury
  - Bank reconciliations
    - Bank reconciliations are performed monthly by the Accountant for all bank accounts
    - The reconciliations are approved by the Director of Finance

- Investment management
  - All investment decisions are made by the Executive Director and the Director of Finance
  - Investment options are limited to US Treasuries and Money Market funds
- Reporting
  - Bi-Weekly Warrant Review prepared by the Accounting Specialist – Accounts Payable and reviewed by the Accountant
  - Monthly Fund Balances, Warrants, and Reserves Memo prepared by the Director of Finance
  - Monthly Results Memo – Prior Year, Current Year, Budget, and Forecast comparisons prepared by the Director of Finance
- Budgets
  - Budgets are prepared annually by Program
  - The Finance Director will prepare a “baseline” budget premised upon the prior year’s actuals, 3-year average seasonality, adjusted by key assumptions
  - Program Managers will review the baseline and adjust as needed for known or expected changes to the operation
  - Potentially several rounds of revisions are made to update assumptions, and in response to public hearing feedback
  - The budget is reviewed and approved by the Executive Director and then presented to the Finance Committee, then the Full Board, and ultimately to the constituent communities for final approval
  - The approved budget is then uploaded into NetSuite to be included in the monthly report noted above (see Reporting)
- Fixed Assets
  - Purchases are monitored by the Accounting Specialist – Accounts Payable and any capitalizable items are examined for proper accounting treatment
  - Any fixed asset purchases are added to the Fixed Assets subledger by asset category, department (program), and in service date by the Accounting Specialist – Accounts Payable
  - Any asset in progress are recorded in the appropriate general ledger account (not depreciated)
  - Each month the Accounting Specialist – Accounts Payable will update the Fixed Assets subledger and record depreciation expense by department (Program)
  - Periodically, at least once a fiscal year, the Accounting Specialist – Accounts Payable will work with the operational departments to perform a fixed asset inventory to identify any unrecorded disposals and additions