

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICY

Town of Groton

PURPOSE. The purpose of this Accounting, Auditing and Financial Reporting Policy is to establish and maintain high standards for accounting practices in the Town of Groton, thereby enabling voters, the selectboard, and the treasurer to make sound decisions in preparing and adopting the Town budget and managing Town finances.

ACCOUNTING. The accounting practices of the Town will conform to Generally Accepted Accounting Principles for local governments as established by the Governmental Accounting Standards Board. The treasurer will establish and maintain a system of fund accounting and shall measure financial position and results of operations using the cash basis of accounting for governmental funds and the cash basis of accounting for proprietary and fiduciary funds.

AUDITING. Annually the selectboard will cause the Town financial statements to be audited by a qualified, properly licensed independent accounting firm.

MONTHLY AND ANNUAL FINANCIAL REPORTING. The treasurer will prepare monthly financial reports for the selectboard's management purposes. These will consist of:

Budget Report showing revenues collected and appropriations expended for the previous month with the variance from the budget amounts for each line item;

Balance Sheet showing Town assets less liabilities and the fund balance.

The treasurer will also prepare an annual financial report. This report should include financial statements for each of the funds of the Town, as well as appropriate additional disclosures as necessary for the complete understanding of the financial statements presented. This report will be reproduced in the Town's annual report each year. A link to the most recent independent auditor's report will also be in the town annual report.

*At Town meeting of 2009, it was voted that money may be temporarily borrowed from reserve funds to address shortfalls in the town and highway budgets. To document such actions, any such movement in funds shall be approved by town selectboard.

*Although all members of the selectboard should examine and sign the weekly orders, a single signature by the appointed selectboard member shall be deemed sufficient authorization by the selectboard to pay those on warrants produced by the Treasurer.

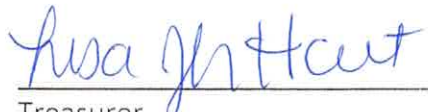
*E-mail is the primary tool used for communication from selectboard to the town departments. All making an effort to reply to emails within 24 hours, this is important to respond in a timely manner.

The foregoing Policy is hereby adopted by the selectboard and the treasurer of the Town of GROTON, Vermont, this 3 day of AUGUST, 2022 and is effective as of this date until amended or repealed.

SIGNATURES.



Selectboard Chair



Treasurer

Selectboard Members:

