Table of Contents

Section 1   Introduction................................................................................................... 1
Section 2   Financial Goals .............................................................................................. 1
Section 3   Financial Policies ........................................................................................... 1
Section 4   Operating Position & Fund Balance Policies ............................................... 2
Section 5   Revenue Policy .............................................................................................. 3
Section 6   Expenditures Policy ....................................................................................... 4
Section 7   Debt Management Policy ............................................................................. 5
Section 8   Cash Management and Investment Policy .................................................... 6
Section 9   Capital Asset Policy .................................................................................... 11
Section 10  Budget Policy............................................................................................... 13
Section 11  Financial Reporting Policy .......................................................................... 16
Section 12  Purchasing Policy ...................................................................................... 16
Section 13  Credit Card Policy........................................................................................ 21
To the Honorable Supervisor and Town Board of the Town of Greenburgh, New York:

Submitted herewith is the reviewed and revised Comprehensive Financial Policy Document, which incorporates all of the financial management policies, adopted by the Town Board from their inception through the present date.

As in the past, these policies have been reviewed on a regular basis, and where necessary, updated to reflect changes in law or generally accepted accounting principles. These policies may also be updated to enhance our understanding and implementation of sound financial practices, in response to changes and events that may affect our financial health.

We believe that the financial policies contained in this document represent the best practices of governmental financial management. Adhering to these policies will help to ensure that we maximize our revenues, minimize our expenditures, preserve the safety of our public funds, and maintain a strong position in the financial community.

Your adoption of this Comprehensive Financial Policy Document confirms our commitment to financial excellence, full disclosure, and responsible financial management.

Sincerely,

Bart Talamini
1. Introduction

The Town of Greenburgh (hereinafter referred to as the “Town”) has an important responsibility to its citizens to carefully account for public funds, to manage municipal finances wisely and to plan the adequate funding of services desired by the public, including the provision and maintenance of public facilities.

The Financial Goals and Policies are intended to establish guidelines for the continued financial strength and stability of the Town. While some of the performance goals are specific and will limit certain types of financial activity, the goal statements are not intended to restrict the Town Board’s ability and responsibility to respond to emergencies or service delivery requirements above or beyond the limitations established by the Financial Goals and Policies. The financial goals and policy statements set forth herein were initially adopted as the Town’s “Financial Goals and Policies,” as a whole, by the Town Board on December 17, 2007.

2. Financial Goals

Financial goals are broad financial positions the Town seeks to attain. The financial goals are:

(a) to deliver quality services efficiently and on a cost-effective basis providing full value for each tax dollar.
(b) to maintain an adequate financial base to sustain a sufficient level of municipal services, thereby preserving the quality of life in the Town.
(c) to have the ability to withstand local and regional economic shocks, to adjust to changes in the service requirements of the Town, and to respond to changes in Federal, State, and County priorities and funding as they affect the Town’s residents.
(d) to maintain a good credit rating in the financial community to assure the Town’s taxpayers their Town government is well managed and financially sound.

3. Financial Policies

Financial policies support the financial goals and guide decision making in specific situations to ensure a decision will contribute to the attainment of the financial goals. Financial policies have been prepared for: Operating Position and Fund Balance Policies, Revenues, Expenditures, Debt Management, Cash Management and Investment, Capital Assets, Budget, Financial Reporting, Purchasing and Credit Card Issuance and Use.
4. Operating Position and Fund Balance Policy

Operating position refers to the Town's ability to balance its budget on a current basis, maintain reserves for emergencies, and maintain sufficient cash to pay its bills on a timely basis. Our operating position policy requires that:

(a) The Town will pay all current operating expenditures with current operating revenues.

(b) Budgetary procedures that fund current expenditures at the expense of future needs shall be avoided.

(c) Establish a contingency appropriation in the operating budgets of the General Fund and the TOV fund, up to 4% of the respective fund’s total appropriations (excluding the contingency appropriation) to:

1. Provide for non-recurring unforeseen expenditures of an emergency nature;
2. Provide orderly budgetary adjustments when revenues do not meet projections;
3. Provide the local match for public or private grants that may become available;
4. Provide for settlement of pending labor contract negotiations;
5. Provide for expected payment of accrued vacation and sickness liabilities; and to meet unexpected small increases in service delivery costs.

(d) Encumbrances represent commitments related to unperformed contracts for goods or services, and will be recorded when incurred. Encumbrances outstanding at year-end will be reported in accordance with GASB 54 reporting requirements.

(e) The Town will maintain an unassigned fund balance, of the General Fund, at a level no less than 1.0% or greater than 1.5% of the total tax warrants submitted to the General Fund for billing and collection during that fiscal year.

(f) General Fund unassigned fund balance may be used for capital, emergency, or unusual and non-recurring expenditures.

(g) The Town will maintain the assigned fund balance, of the Town Outside Villages (TOV) Fund, at a level no less than 8% or greater than 16% of the following fiscal year’s total appropriations for the TOV Fund. Should the fund balance fall below the 8% floor due to emergencies or service delivery requirements, above or beyond the limitations established by the this section, the Town Board will develop a plan to re-establish at least an 8% floor within a period of no more than five years. Such reserves shall be set aside for unknown and unpredictable events, such as the result of a natural disaster, and shall not be used for predictable expenses, such as back pay or accrued vacation or sickness liabilities.

(h) Commit and assign all fund balances by resolution of the Town Board.
Use fund balances for one-time capital or emergency expenditures only if
1. They are surplus balances remaining after all reserve and fund allocations are made,
2. Or, the Town has made a rational analysis, with justifying evidence, that it has an adequate level of short and long term resources.

The Town will prepare a cash-flow analysis of all funds on a regular basis. Disbursements, collections and investments will be managed to provide sufficient cash for daily financial needs.

Prepare quarterly reports summarizing budget versus actual operating revenues and operating expenditures, as well as major balance sheet items, to the extent practical.

5. Revenue Policy

The Town shall:

(a) strive to maintain a diversified and stable revenue base as protection from short-term fluctuations in any one revenue source.
(b) project revenue for the General Fund and all operating funds each year for at least the next five years. Each existing and potential revenue source shall be re-examined each year. Revenue estimates shall be conservative and developed in an objective and reasonable manner.
(c) strive to reduce reliance on the property tax by:
   (i) maintaining and diversifying the Town tax base;
   (ii) seeking to develop additional revenue sources; and
   (iii) establishing and evaluating, annually, all user charges and fees for use of Town services, facilities and equipment at a level related to the cost of providing the services.
(d) strive to maintain the annual rate of property tax collections at 99 percent.
(e) transfer to a Capital Projects or Open Space Fund, proceeds from the sale or rental of Town surplus properties, when not otherwise earmarked or legally designated to another fund.
(f) with respect to recreational programs, establish a cash recovery policy that balances recreational needs of the community and the need to recover costs.
(g) establish, when feasible, Water, Sewer and Sanitation as Enterprise Funds (i.e., funds established by a regulation or law that requires costs to be recovered), so that the funds shall generate revenue sufficient to support the full direct and indirect costs of these entities.
6. Expenditures Policy

The Town shall:

(a) pay for all current operating and maintenance expenses from current revenues.
(b) integrate objective and quantitative performance and productivity measures into the budget where possible, using modern measurement techniques.
(c) determine the cost of all externally mandated services (e.g., services performed for developers by the Town Engineer or Building Inspector), including overhead, and seek complete reimbursement of such services through fees.
(d) except for funding the Unfunded Actuarial Accrued Liability, for which a policy will be developed, provide full funding for all employee benefits in the annual operating budget.
(e) maintain a budgetary control system which will enable it to adhere to the adopted budget.
(f) prepare and maintain a system of periodic fiscal reports comparing actual revenues and expenditures to budgeted amounts.
(g) provide for the adequate maintenance of capital assets and equipment in the annual budget.
(h) maintain a payment review and approval process to ensure accuracy with special emphasis on large payments.
(i) encourage the delivery of services, in whole or in part, by other public and private organizations whenever and wherever greater efficiency and effectiveness can be expected.
(j) utilize technology and productivity advances that will help reduce or avoid increasing personnel costs.
(k) maintain an effective risk management program to minimize losses and reduce insurance costs.
(l) seek arrangements to share services with other municipalities/jurisdictions where cost reductions can be achieved and where the quality of service will not be jeopardized.
(m) use revenues collected for the Water Fund, Library Fund, and any other special revenue only for expenditures by these funds, and not for transferring to any other funds.

Expenditures are a rough measure of a local government’s service output. While many expenditures can be easily controlled, emergencies, unfunded mandates, and unanticipated service demands may strain our ability to maintain a balanced budget. To ensure the proper control of expenditures and provide for a quick and effective response to adverse financial situations, the Town of Greenburgh has adopted the following expenditure policy statements:

(a) Expenditures and purchase commitments will be made in a form and process that is legal, appropriate, funded, authorized and sufficiently documented.
(b) Expenditures and purchase commitments will be recorded in an accurate and timely fashion.
(c) The review and approval process for all claims made against the Town shall be as follows:
(d) Departments must issue purchase orders as required under our purchasing policy. Departments are encouraged to issue purchase orders whenever practical, even if they are not required.

(e) Properly completed claims must be prepared and submitted to the purchasing department by the department responsible for originating the claim. A “properly completed claim” must include, but is not limited to, the vendor’s name and address, date of claim, explanation, and accounts to be charged, department authorization, signature and sufficient documentation. “Sufficient documentation” means that a person unfamiliar with the transaction could understand what was ordered, when, by whom, from what vendor, at what price, when the goods or services were delivered, who accepted delivery, and who authorized payment. Typical documentation includes copies of purchase orders, invoices and/or statements, Board resolutions awarding bids or state contracts, records of quotes received, receiving slips, correspondence and other communications.

(f) The comptroller’s department will issue checks promptly for all claims properly completed and submitted.

(g) The balances in appropriation accounts will be monitored regularly to ensure that the total of expenditures and purchase commitments in any account do not exceed the authorized budget for that account.

(h) Requests for competitive bids, proposals, formal and informal quotes, and other methods of seeking and encouraging vendor competition will be obtained as required by law or otherwise established by the Town Comptroller.

(i) Arrangements will be encouraged with other governments, private individuals, and firms, to contract out or cooperatively deliver services, in a manner that reduces cost and/or improves efficiency and effectiveness while maintaining service quality.

(j) The full direct and indirect costs will be calculated for any service provided for a fee or charge, or where there is a potential for the reimbursement of such costs.

(k) We will maintain an effective risk management program that provides adequate coverage, minimizes losses, and reduces costs.

(l) All appropriations shall lapse at the close of the fiscal year to the extent that they shall not have been expended or encumbered.

7. Debt Management Policy

Debt is an effective way to finance capital improvements or to even out short-term revenue flows. Properly managed debt preserves our credit rating, provides flexibility in current and future operating budgets, and provides us with long-term assets that maintain or improve our quality of life. To provide for the appropriate issuance and responsible use of debt, the Town of Greenburgh has adopted the following debt management policy statements:

The Town shall:

(a) not use short-term borrowing to finance operating needs except in the case of extreme financial emergency. Short-term borrowings include budget, tax, and revenue anticipation notes. If used, all short-term debt shall be fully paid in the current or immediately following fiscal year and not rolled over. If short-term debt is used in two or more consecutive fiscal years, reserves for the next budget shall
be increased by the amount of short-term borrowing.
(b) use long-term debt for only those capital improvements that cannot be readily
financed from current revenues.
(c) ensure the final maturity date for any long-term debt will not exceed the expected
life of the capital improvement so financed. Balloon payments and similar
deferrals of debt repayment shall be avoided.
(d) ensure that the net (non-self-supporting) general obligation Town-wide debt of the
Town shall not exceed 5% of the total equalized market value of taxable property.
(e) use special assessments, revenue bonds, and/or any other available self-liquidating
debt instruments instead of general obligation bonds whenever possible and
appropriate.
(f) The annual operating budgets of all funds will be maintained so as to ensure the full
and timely repayment of debt principal and interest due that year.
(g) As required under New York State Local Finance Law § 104, our total amount of
outstanding debt will not exceed 7% of our 5-year average full valuation.
(h) Debt limits established by law and policy will be calculated at least once each
year, and whenever otherwise requested or appropriate.
(i) Good communications will be maintained with bond rating agencies, bond
counsel, banks, financial advisors and others involved in debt issuance and
management. The Town Comptroller or his respective designees shall be the
Town’s representatives in official matters involving Town debt, and shall
determine who should participate in communications with rating agencies
concerning Town debt. The Town Comptroller shall coordinate and
participate in communications between other Town officials and the Town’s
bond counsel, financial advisors, and financial institutions concerning Town
debt.

Our comprehensive annual financial reports and official statements will reflect our
commitment to full and open disclosure concerning our debt

8. Cash Management and Investment Policy

The Town’s cash management and investment policies shall be guided by four fundamental
principles in the following order of priority:

1. Legality-To conform with all applicable federal, state and other legal
requirements.
2. Safety-To adequately safeguard principal.
3. Liquidity-To provide sufficient liquidity to meet all operating requirements.
4. Yield-To obtain a reasonable rate of return.
The Town shall also:

(a) deposit its moneys only in banks or trust companies located and authorized to do business in New York State; and authorized as official Town depositories by the Town Board.
(b) invest its moneys only in those investment vehicles authorized by State statutes.
(c) obtain the maximum possible return on all cash investments, subject to the safety of the investments.
(d) collateralize all deposits and investments at greater than 100% of the market value of such deposits and investments.
(e) prepare a cash flow analysis of all funds on a regular basis. Disbursements, collections, deposits and investments will be managed to ensure maximum cash availability.
(f) pool cash from its various funds to obtain the maximum possible return on its investments. Interest will be credited to the source of the invested moneys.

Delegation of Authority - The governing board's responsibility for administration of the cash management and investment program is delegated to the Town Comptroller who shall establish written procedures for the operation of the investment program consistent with these cash management and investment guidelines. The Comptroller shall be responsible for establishing and maintaining internal controls to provide reasonable assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

Prudence - All participants in the cash management and investment process shall act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Town.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the cash management and investment process shall refrain from personal business activity that could conflict or appear to conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
**Diversification** - It is the policy of the Town to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

**Internal Controls** - It is the policy of the Town for all money collected by any officer or employee of the Town to transfer those funds to the Town Comptroller as soon as is practicable, but in any event within one business day of receipt, or within the time period specified by law, whichever is shorter. The Town Comptroller is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and that deposits and investments are managed prudently and in compliance with applicable laws and regulations.

**Designation of Depositories** - The banks and trust companies authorized for the deposit of moneys, including certificates of deposit, up to the maximum amounts shown, are:

<table>
<thead>
<tr>
<th>Depository Name</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>JP Morgan Chase</td>
<td>125,000,000</td>
</tr>
<tr>
<td>TD Bank</td>
<td>125,000,000</td>
</tr>
<tr>
<td>Webster Bank</td>
<td>125,000,000</td>
</tr>
</tbody>
</table>

Banks and trust companies holding Town deposits must meet or exceed the following rating requirements of at least one of the nationally recognized statistical rating organizations (“NRSRO”) listed below for long-term debt (debt having a term of one year or more):

<table>
<thead>
<tr>
<th>NRSRO</th>
<th>Long-Term Debt Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's Investors Services</td>
<td>A</td>
</tr>
<tr>
<td>Standard &amp; Poor’s</td>
<td>A</td>
</tr>
<tr>
<td>Fitch</td>
<td>A</td>
</tr>
</tbody>
</table>

The Town Board shall review and approve this list at least annually.

**Permitted Investments** - As authorized by General Municipal Law, §11, the Town Board of the Town of Greenburgh authorizes the Comptroller to invest moneys not required for immediate expenditure for terms not to exceed projected cash flow needs in the following types of investments:

1. Special time deposit accounts in a bank or trust company authorized to do business in New York State;
2. Certificates of deposit issued by a bank or trust company authorized to do business in New York State;
3. Obligations of the United States of America;
4. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;

5. Obligations of the State of New York;

6. Repurchase agreements of obligations listed under (3) and (4) above, subject to the following restrictions:

   (a) All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
   (b) Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
   (c) No substitution of securities will be allowed.
   (d) The custodian shall be a party other than the trading partner.

All investment obligations shall be payable, saleable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided.

**Collateralizing of Deposits and Investments** - In accordance with the provisions of General Municipal Law, §10, all deposits of the Town of Greenburgh, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. By a pledge of "eligible securities" with an aggregate market value as provided by GML §10, equal to the aggregate amount of deposits from the categories designated below in the **Schedule of Eligible Securities**.

2. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the Town for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.

3. By an eligible surety bond payable to the Town for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, in any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

**Schedule of Eligible Securities** - Obligations issued, or fully insured or guaranteed as to the
payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.

Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.

**Safekeeping and Collateralization** - Eligible securities used for collateralizing deposits shall be held by the depository or a third party bank or trust company subject to security and custodial agreements.

The security agreements shall provide that eligible securities are being pledged to secure the Town's deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events that will enable the Town to exercise its right against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Town, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Town of Greenburgh or its custodial bank.

Custodial agreements shall provide that securities held by the bank or trust company, or agent of and custodian for, the Town, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Town a perfected interest in the securities.

**Authorized Financial Institutions and Dealers** - Financial institutions and dealers approved for the purchase and sale of investments are as follows:

- BNY Mellon
- JPMorgan Chase Bank
- Webster Bank,
- TD Bank

All financial institutions with which the Town conducts business must meet or exceed the following rating requirements of at least one of the nationally recognized statistical rating organizations ("NRSRO") listed below for long-term debt (debt having a term of one year or more):

<table>
<thead>
<tr>
<th>NRSRO</th>
<th>Long-Term Debt Rating</th>
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<td>A</td>
</tr>
<tr>
<td>Fitch</td>
<td>A</td>
</tr>
</tbody>
</table>
Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Town. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Town Comptroller is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated by the Town Board at least annually

**Purchase of Investments** - The Town of Greenburgh will encourage the purchase of certificates of deposit through a competitive or negotiated process involving telephone solicitation of at least four bids for each transaction.

The Comptroller is authorized to contract for the purchase of securities:

1. Directly, including through a repurchase agreement, from an authorized trading partner.

2. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller's Opinion No. 88-46, and the specific program has been authorized by the governing board.

   All purchased investments, obligations, unless registered or inscribed in the name of the Town, shall be purchased through, delivered to and held in the custody of a bank or trust company.

   Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Town of Greenburgh by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, §10.

9. **Capital Asset Policy**

Most of the Town’s wealth is invested in its physical assets or capital plant - streets, buildings, utility networks, and equipment. These assets shall be properly maintained and replaced over time to adequately provide public services. The Town shall:

(a) prepare a three (3) year capital improvements program each year.
(b) base all capital improvements and the quality of such improvements on the Town’s long-term needs in order to balance initial costs with future maintenance and replacement cost.
(c) coordinate the development of the capital improvements program with the annual operating budget in order to avoid excessive fluctuations in the total tax levy.
(d) Identify the funding source for each capital improvement prior to deciding to proceed with the project. Intergovernmental (e.g., federal, state and county funding) and private sources shall be sought out and used as available to assist in financing capital improvements.

(e) 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.

This policy is to establish the principles related to the accounting treatment of our capital assets.

Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, construction in progress and all other tangible and intangible assets that are used in operations and have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems.

Land and land improvements are inexhaustible capital assets and will not be depreciated. Construction in progress will not be depreciated. All other capital assets will be depreciated over their estimated useful lives, as established by the Town Comptroller, using the straight-line method of depreciation. In no event shall the useful life of an asset be less than the period of probable usefulness established for debt purposes as found in Section 11 of the New York State Local Finance Law.

A capitalization threshold is the cost established by the Town Comptroller that must be met or exceeded if an asset is to be recorded and depreciated as a capital asset. The capitalization threshold is based on the cost of a single asset. Assets that do not meet the capitalization threshold will be recorded as expenditures or expenses. For purposes of property control (insurance, security, etc.), the Town Comptroller and/or department heads may develop and maintain the appropriate record keeping system(s) to account for assets which do not meet the capitalization threshold.

Capital assets that meet the minimum capitalization threshold will be recorded at historical cost. The cost of a capital asset includes capitalized interest and ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition, such as freight and transportation charges, site preparation costs, and professional fees. Donated capital assets will be recorded at their estimated fair value at the time of acquisition, including any ancillary charges. Estimated historical cost may be used in those cases where the actual historical cost is not readily available. Estimated historical cost will be calculated using the current replacement cost of a similar asset and deflating this cost to the acquisition year (or estimated acquisition year) using a price-level index approved by the Town Comptroller.

Capital assets associated with the operation of enterprise funds will be recorded in those funds. Capital assets associated with general government operations, with the exception of infrastructure assets, will be recorded in the appropriate internal service fund(s). Infrastructure assets will not be recorded in a governmental fund, but the Town Comptroller will establish and
maintain the record keeping system necessary to allow for the accounting, auditing, and reporting of such assets, including depreciation.

10. Budget Policy

Sound financial practice and the desire to maintain a strong credit rating dictate that our budgets be balanced, constantly monitored, and responsive to changes in service demands. With these concepts in mind, the Town of Greenburgh has adopted the following budget policy statements:

A budget is a plan of financial operation embodying an estimate of proposed revenues and expenditures for a given period.

The Town’s fiscal year shall be January 1 through December 31 and its budget calendar shall be as provided for in §106 of Town Law as summarized below.

Budgets shall be adopted on a basis consistent with management and planning practices and generally accepted accounting principles. Annual appropriated budgets shall be adopted for the general, special revenue, enterprise and debt service funds. Project-length financial plans shall be adopted for all capital projects.

Annual operating budgets will be adopted on a balanced basis, where operating revenues (estimated revenues) are used to fund operating expenditures/expenses (appropriations). Operating revenues include taxes, charges for services, interest earnings, license and permit fees, fines and forfeitures, regularly recurring governmental aid, debt proceeds and transfers in from other funds for operating (non-capital) purposes. Operating expenditures include salaries and wages, employee benefits, non-capital equipment and improvements, depreciation (proprietary funds only), materials, supplies, contractual costs, and transfers out to other funds for operating (non-capital) purposes. Fund balance should not be considered a source of funds for operating expenditures.

Nothing in this policy shall prohibit the use of operating revenues for capital expenditures.

The Town will adopt an annual budget for the General Fund that includes a contingency that will not exceed four (4%) percent of the total General Fund appropriations of that budget. This contingency will be used to provide for expenditures that exceed or revenues that do not meet budget estimates, and/or for new or increased program requirements required by law or desired and approved by Town Board resolution.

Unassigned fund balance may be appropriated as part of the adopted budget to fund capital, emergency, or unusual and non-recurring expenditures/expenses. Unassigned fund balance should not be used to fund operating expenditures in the adopted budget.

One-time revenues that are not required by law or agreement to be expended for a particular purpose will only be used to fund capital or emergency expenditures in the adopted budget. One-time revenues include, but are not limited to, proceeds from the sale of property and other major assets, governmental aid that is not regularly received and is unlikely to recur on a regular basis, major gifts or donations, and major insurance recoveries.
Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances outstanding at year end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

GASB 54 classifications of fund balance will be estimated in the adopted budget for amounts of fund equity legally restricted or otherwise not available for appropriation.

GASB 54 is effective for Financial Statements for periods beginning after June 15, 2010.

GASB 54 divides Fund Balance reporting into the five following classifications:

Nonspendable, Restricted, Committed, Assigned, and Unassigned. The definition of each of these classifications is as follows:

1. **Nonspendable**-Consists of assets that are inherently non-spendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, and long-term portions of loans receivable, financial assets held for resale and principal of endowments.

2. **Restricted**-Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation, such as the reserve for employee benefit accrued liability.

3. **Committed**-Consists of amounts that are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint, such as the designation for tax certioraris or debt stabilization.

4. **Assigned**-Consists of amounts that are subject to a purpose constraint that represents an intended use, such as a reserve for encumbrances, established by the government’s highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in the funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

5. **Unassigned**-Represents the residual classification of the government’s General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification
should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, confirmed, or assigned.

On or before April 1 of each year, the Town Supervisor shall submit to the Town Board, a capital program that lists the proposed capital improvements with appropriate supporting cost information.

On or before October 30 of each year, the Town Supervisor shall submit a Tentative Budget for the following fiscal year to the Town Board. The proposed budget shall be prepared in a manner to maximize its understanding by citizens and elected officials.

After considering the Tentative Budget, but not later than December 10, the Town Board shall hold a public hearing on the proposed budget.

After the public hearing, the Town Board may amend the proposed budget by adding, increasing, decreasing or deleting programs and amounts, except expenditures required by law, or for debt service or for an estimated cash deficit.

The Town Board shall adopt the proposed budget and determine the tax rate for the ensuing year on or before December 20.

The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also requires a majority vote by the Board.

No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the available balance thereof.

All appropriations shall lapse at the close of the fiscal year to the extent that they shall not have been expended or encumbered.

**Summary of Critical Operating Budget Date Table:**
The Town must complete the following tasks on or before the indicated deadlines:

- **October 1**: Town Supervisor shall notify, in writing, the department heads of the necessity for, and form of estimates of revenues and expenses, for the ensuing fiscal year.
- **October 20**: Department heads shall submit budget estimates to the Town Supervisor.
- **October 30**: Town Supervisor shall file the Tentative Budget with the Town Clerk.
- **November 10**: Town Clerk shall present the Tentative Budget to the Town Board for review, consideration and, if necessary, revision.
December 5  Notice of public hearing on the budget must be published at least
five days prior to the required public hearing.
December 10 A public hearing on the budget must be held
December 15  Public hearing on the budget must be closed.
December 20 Annual Budget must be adopted and entered, in full, in the minutes
of the Town Board

11. Financial Reporting

The Town shall adhere to a policy of full and open public disclosure of all financial activity.

Copies of financial documents shall be made available to all interested parties.

Detailed budgetary information (e.g., specific sources of revenues and objects of expenditures) shall
be available to the elected officials.

The Town’s accounting system shall maintain records on a basis consistent with generally
accepted governmental accounting standards. The Town Comptroller shall prepare the Annual
Financial Report in conformity with generally accepted accounting standards and financial reporting
practices.

The Town Comptroller shall prepare regular periodic and annual financial reports presenting a
summary of financial activity by major types of funds and programs.

The Town shall employ an independent public accounting firm to perform an annual audit of all
funds and programs, and shall make the annual audited financial statements available to the Town
Board, general public, bond and financial consultants and interested citizens. The Town shall have
the annual audit conducted in compliance with the single audit concept as set forth by the Federal
Office of Management and Budget. The audit shall be completed and the annual audited financial
statements shall be completed and submitted to the Town Board within 180 days of the close of the
Town’s fiscal year.

12. Purchasing Policy

A. Procurement Policy

1. The Director of Purchasing and such assistants shall be appointed by the Town Council, and
subject to the provisions of the Civil Service Laws of the State of New York. The Director of
Purchasing shall be responsible for developing and administering the purchasing program of
the Town of Greenburgh.

Except as otherwise provided herein, the acquisition of services, equipment and supplies is
centralized in the Purchasing Department, functioning under the supervision of the Director of
Purchasing, and through whose office all purchasing transactions are conducted. Any purchase
made otherwise, the Town of Greenburgh shall not be liable therefore and the person
purchasing the same does so for his individual account and not that of the Town of Greenburgh.

When the Director of Purchasing is unavailable (vacation, sickness or conference) the Senior Office Assistant shall be authorized to sign Purchase Orders.

2. Every purchase to be made must be initially reviewed to determine whether it is a purchase contract or a public works contract. Once that determination is made, a good faith effort will be made to determine whether it is known or can reasonably be expected that the aggregate amount to be spent on the item of supply or service is not subject to competitive bidding, taking into account past purchases and the aggregate amount to be spent in a year.

It shall be the Town's procurement policy to require competitive bidding for purchase contracts equal to or greater than $20,000 and public works contracts equal to or greater than $35,000. The following items shall not be subject to competitive bidding pursuant to Section 103 of the General Municipal Law: emergency purchases, goods purchased from agencies for the blind or severely handicapped, goods purchased from another governmental entity.

The decision that a purchase is not subject to competitive bidding will be documented in writing by the individual making the purchase. This documentation may include written or verbal quotes from vendors, a memo from the purchaser indicating how the decision was arrived at, a copy of the contract indicating the source which makes the item or service exempt, a memo from the purchaser detailing the circumstances which led to an emergency purchase, or any other written documentation that is appropriate.

3. All goods and services will be secured by use of written requests for proposals, written quotations, verbal quotations, or any other method that assures that goods will be purchased at the lowest price and that favoritism will be avoided, except in the following circumstances: purchase contracts equal to or greater than $20,000 and public works contracts equal to or greater than $35,000; goods purchased from agencies for the blind or severely handicapped pursuant to Section 175-b of the State Finance Law, goods purchased from correctional institutions pursuant to Section 186 of the Correction Law, purchases under State contracts pursuant to Section 104 of the General Municipal Law, purchases under county contracts pursuant to Section 103(3) of the General Municipal Law, or purchases pursuant to subdivision 6 of this policy.

4. The following method of purchase will be used when required by this policy in order to achieve the highest savings:

<table>
<thead>
<tr>
<th>Estimated Amount of Purchase Contract</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500 - $2,499</td>
<td>minimum of 3 verbal quotations</td>
</tr>
<tr>
<td>$2,500 - $19,999</td>
<td>minimum 3 written/fax quotations or written request for proposals</td>
</tr>
</tbody>
</table>
$20,000 and over          competitive bidding

**Estimated Amount**

<table>
<thead>
<tr>
<th>of Public Works Contract</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500 - $2,499</td>
<td>minimum of 3 verbal quotations</td>
</tr>
<tr>
<td>$2,500 - $34,999</td>
<td>minimum 3 written/fax quotations or written request for proposals</td>
</tr>
<tr>
<td>$35,000 and over</td>
<td>competitive bidding</td>
</tr>
</tbody>
</table>

A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement.

5. Documentation is required of each action taken in connection with each procurement.

6. Documentation and an explanation is required whenever a contract is awarded to other than the lowest responsible offeror. This documentation will include an explanation of how the award will achieve savings or how the offeror was not a responsible vendor.

7. Pursuant to General Municipal Law Section 104-b(2)(f), the procurement policy may contain circumstances when or types of procurements for which, in the sole discretion of the governing body, the solicitation of alternative proposals or quotations will not be in the best interest of the municipality. In the following circumstances, it may not be in the best interest of the Town of Greenburgh to solicit quotations or document the basis for not accepting the lowest bid:

A. Professional services or services requiring special or technical skill, training or expertise. The individual or company must be chosen based on accountability, reliability, responsibility, skill, education and training, judgment, integrity, and moral worth. These qualifications are not necessarily found in the individual or company that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures. In determining whether a service fits into this category, the Town Board shall take into consideration the following guidelines: (a) whether the services are subject to State licensing or testing requirements, (b) whether substantial formal education or training is a necessary prerequisite to the performance of the services, and (c) whether the services require a personal relationship between the individual and municipal officials. Professional or technical services shall include but not be limited to the following: services of an attorney, services of a physician, technical services of an engineer or architect engaged to prepare plans, maps and estimates, securing insurance coverage and/or services of an insurance broker, services of a certified public accountant, investment management services, management of municipally owned property, and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software. Signature by the Department
Head and Comptroller shall be sufficient for proprietary contracts, such as maintenance for software and office equipment. Such contracts/agreements shall be initiated by Purchase Order. All other contracts and agreements consistent with this Procurement Policy and under a dollar limit of $20,000 may be signed by the Town Supervisor without express Town of Greenburgh Board authorization if such expenditure is (i) consistent with this Procurement Policy and (ii) in the Town's final approved budget. Contracts and/or agreements with the State or County for services or cooperative programs may be executed by the Supervisor or Comptroller on behalf of the Town without Town Board authorization if consistent with the Town's final approved budget. Resolution by the Town Board shall be required for any other contract.

B. Emergency purchases pursuant to Section 103(4) of the General Municipal Law. Due to the nature of this exception, these goods or services must be purchased immediately and a delay in order to seek alternate proposals may threaten the life, health, safety or welfare of the residents. This section does not preclude alternate proposals if time permits.

C. Purchase of surplus and second-hand goods from any source. If alternate proposals are required, the Town of Greenburgh is precluded from purchasing surplus and second hand goods at auctions or through specific advertised sources where the best prices are usually obtained. It is also difficult to try to compare prices of used goods and a lower price may indicate an older product.

D. Goods or services under a $100 aggregate. The time and documentation required to purchase through this policy may be more costly than the items themselves and would therefore not be in the best interest of the taxpayers. In addition, it is not likely that such minimize contracts would be awarded based on favoritism.

8. This policy shall be reviewed annually.

B. Purchasing Procedures

1. All purchase requisitions should be sent to the "Purchasing Department" via inter-office mail.

   All requisitions will be reviewed for price and adherence to New York State regulations with regard to possible bidding requirements.

2. Advance notification of a change will be given back to a department in the event a more competitive price can be obtained by the Purchasing Department from a vendor other than the vendor listed on the requisition.

   REMINDER: The mere quotation or submission of a price by a vendor Does Not imply the placement of an order by yourself or the Town. Until your department and the vendor receives the actual purchase order, there is no order. If this procedure is not followed, it is at the vendor's risk, as the Town will not honor invoices that are not covered by a valid (previously issued) purchase order.
3. All purchases of **$250.00 & up will require** a purchase order. The Town has the capability to issue, at least, a purchase order number immediately. Upon presentation of a completed requisition at Purchasing, a P.O. number will be issued. This should cover the "emergency" situations. The Purchasing Department is staffed from 8:30 A.M. to 5:00 P.M. daily.

4. **All "claim vouchers"** for purchases of goods or services equal to or greater than $25.00 and all "claim for payment" forms are to be first sent to Purchasing with supporting documentation for payment, so that receipt of merchandise, prices, etc. can be entered in the computer files. For your information, The Town’s system makes available to you, on request, purchasing data and history on items within particular P.O.s and budget lines.

5. As a general guideline, obtain prices for office supply items online, since these are up to date, the required information is item number, description and page number for **New** items not previously purchased by your department.

6. You **Must** use the **Exact** "item code" as listed on your previous P.O's for **any item** you are **re-ordering**. This can be obtained from the yellow copies of your **Purchase Orders, Not** your requisition copies.

   "Item Code" must be listed **exactly** as printed by the computer, including punctuation or spaces in the code.

   Any office supply item being **re-ordered** using the above method will eliminate the need for catalogue page numbers. It also eliminates the need for extensive descriptions of **Any** item being re-ordered if the "Item Code" is correctly listed.

7. All requisitions for the following items must be on separate forms:
   a) Copier paper  
   b) Computer paper  
   c) Office furniture  
   d) Office equipment  
   e) "Custom" stamps

**NOTE: ALL ORDERS FOR THE FOLLOWING WILL REQUIRE PURCHASE ORDERS REGARDLESS OF THE DOLLAR AMOUNT:**

   a) Any and all "Office Supply" orders  
   b) Any and all orders for "Grainger" merchandise

8. With regard to receipt of merchandise and payment of invoices/claims:

   All "Claims for Payment" and Claim Vouchers **must** be accompanied by an original invoice and/or packing slip that is to be **signed and dated** "received" by the employee actually receiving and checking in the goods and/or services.

   Department Head signatures are required on the claim in the usual manner.
C. Purchasing Hints & Terms

1. When purchasing, pricing and specifying items, it is very important to obtain manufacturer, manufacturer part/item, number and a full description of desired item(s).

2. Always reveal to a vendor the quantity you are pricing --
   Ask at what points prices "break". You may find that price "breaks" are significant enough on an item used continuously to affect a savings at the next level with little or no increased cost (this is especially true on a printing order).

3. Try to obtain a "F.O.B. Destination" price or "delivered" price --
   Often an item or items may be significantly cheaper with an "out-of-town" vendor, but shipping/freight charges, when added, will actually exceed other "bids".
   Ask for "estimated" freight charges if vendor cannot supply a "F.O.B. Destination" quote.

4. Try to group similar or like items on one purchase requisition to reduce shipping costs. This usually results in better price quotes.

13. Credit Card Issuance and Use Policy

§ 1. Purpose.

The purpose of this Policy is to adopt procedures by which the Town of Greenburgh may obtain a credit card in the name of the Town of Greenburgh (the “Town Credit Card”) and regulate its use.

§ 2. Credit Cards.

The Town Board may enter into a contract with any banking institution authorized to issue a credit card in the State of New York, in order to obtain a Town Credit Card, which may be used to make Authorized Purchases of goods or services pursuant to section 6 below.

§ 3. Compliance with Town Law.

Any agreement entered into by the Town for issuance and use of a Town Credit Card shall comply with the certification requirements of Town Law §118.

All purchases made pursuant to this Policy shall comply with the Procurement Policies adopted by the Town Board. Purchases must be made in accordance with the Town purchase order policies and any other applicable policies adopted by the Town.

§ 5. Authorized users.

Only users authorized by the Town Board shall be permitted to use the Town Credit Card and shall have signing authority. The Director of Purchasing and such assistants are the only users currently authorized by the Town to use the Town credit card and have signing authority.

§ 6. Authorized purchases.

The Town Credit Card shall be used only for purchases where there is no other reasonable or convenient form of payment due to (1) timing of purchase, (2) vendor location, (3) policies of the vendor or (4) where the Town makes regular, periodic payments as a subscriber for services.

§ 7. Number of credit card accounts.

At any given time, the Town may only maintain one (1) general purpose commercial credit card account.