

Reserve Fund Transfer Guidelines

- Attention should be paid to why this expenditure is extraordinary or unforeseen, in addition to why this is a necessary expense.
- Copies of all relevant information should be provided with the request. For example, related correspondence, estimates, evidence of compliance with MGL 30B (uniform procurement), legal opinions, etc.
- To increase the likelihood of approval, a representative of the department or board can attend the Finance Committee meeting where the request is scheduled for consideration. If the Finance Committee has major questions that cannot be answered, it is very likely that the request will be deferred or rejected. If being present is a hardship, you can contact the Chairman of the Finance Committee to answer any questions in advance.
- If a delay would not be harmful, the amount requested is significant, and a Special Town Meeting is scheduled before funds are needed, Special Articles are often desirable instead of Reserve Fund Transfers. If a need for additional funds was known before a Special Town Meeting, a Reserve Fund Request should include the reasons why the request was not submitted as a Town Meeting warrant article.
- If a budget line item in a department requires multiple Reserve Fund Transfers over several years, that department should increase the amount requested for its budget at the Annual Town Meeting. After several years of additional Reserve Funds needed, it may be difficult for the Finance Committee to consider another request for the same reason as “extraordinary or unforeseen.”
- The Finance Committee should be alerted when a department or board foresees a situation developing that may necessitate a Reserve Fund Transfer, especially for large amounts. This will help the Finance Committee to forecast needs, ensure funds are available for the most critical needs, and advise boards in advance whether Reserve Funds may or may not be available.
- If you have an immediate emergency and need to spend more funds than you have available, the Finance Committee is allowed to convene an emergency meeting under the Open Meeting law.
- Finally, if the Finance Committee votes against a Reserve Fund Transfer Request, the department or committee can always resubmit the request with additional documentation or request those funds at a future Town Meeting.