

**SELECTBOARD APPROPRIATION REQUEST AND DISBURSEMENT POLICY
TOWN OF NORWICH**

1. PURPOSE

1.1 The purpose of establishing a policy on requests for outside appropriations (other monetary articles) and the disbursement of these appropriations, after approval by Town Meeting, is to provide guidance to agencies requesting an appropriation on the process for requesting an appropriation and the process for requesting a disbursement of the appropriated monies.

2. AUTHORITIES

2.1 The authority for making appropriations for social service agencies is in 24 VSA § 2691 as follows:

At a meeting duly warned for that purpose, a town or incorporated village may appropriate such sums of money as it deems necessary for the support of social service programs and facilities within that town for its residents. Social service programs, for which a town or incorporated village may appropriate sums of money, include, but are not limited to: transportation, nutrition, medical, child care, and other rehabilitative services for persons with low incomes, senior citizens, children, disabled persons, drug and alcohol abusers, and persons requiring employment to eliminate their need for public assistance. The authority herein granted is not in derogation of other local powers to allocate funds.

Furthermore, 24 V.S.A. § 2692 provides for towns to enter into contracts with social service providers:

The legislative body of a municipality making an appropriation, as provided in section 2691 of this title, may make a contract with public or private agencies or persons concerning the provision of those certain social services.

2.1.1 This language provides Town Meeting with the authority to appropriate monies “for the support of social service programs and facilities within that town for its residents.” A key part of this authorization is that they must benefit Town residents.

2.2 There are also other authorities for making appropriations for specific agencies such as libraries, which is contained in 22 VSA § 142, and cemetery commissions in 18 VSA § 5361, for Memorial Day and other observances of historical events in 24 VSA § 3907, and for recreational activities and facilities in 31 VSA § 202.

2.3 The courts have held that appropriations cannot be made for a private purpose or to what appears to be a public organization set up as a way to obtain monies for a private purpose. A Town appropriation should primarily serve a public municipal purpose. To this end, organizations should limit their requests to the direct costs of those goods and services supplied to the residents of the Town, plus a reasonable overhead burden.

3. POLICY

3.1 Organizations will apply for appropriations on forms available from the Town Manager’s Office. Examples are in Appendices A, B & C with further instructions provided in Appendix D.

3.2 The Selectboard will review any request for appropriations or petitions for appropriations to determine that they meet the requirements of Vermont law, especially that they are targeted to benefit Norwich residents.

3.3 Any agency that will be requesting an appropriation to cover costs of goods and services provided to residents of the Town of Norwich for the next fiscal year that is the same or less than the appropriation for the current fiscal year shall submit a request to the Town Manager's Office on a form provided by the Town Manager on or before the Friday preceding the last Monday in October. Agencies whose form is on file, need only advise, "No change", if applicable.

3.4 Any agency that is requesting an increase in their appropriation, an appropriation to cover a capital expenditure, or a new appropriation shall submit a petition signed by the statutory minimum of 5 percent of registered Norwich voters not less than 45 days before Town Meeting. In addition, so that the Selectboard may make a decision on whether the services proposed by the agency qualify for Town funding, the agency shall submit to the Town Manager's Office information on a form provided by the Town Manager.

3.5 The Selectboard expects all organizations requesting a contribution to be prepared to attend a budget hearing at a time and place determined by the Selectboard, if so requested. Agencies may expect to be excused from appearing, when there are no changes to their applications and the Selectboard is satisfied with the information provided in their invoices for payment of goods and services.

3.6 The Selectboard will advise any agency of any issues to be resolved with their application by 31 December of the year preceding Town Meeting.

4. FORM OF WARRANT ARTICLE

4.1 The following is the general form of a ballot article to appropriate monies for outside agencies. It includes information on the character and purpose of the requesting organization to provide voters with information needed to make a reasonable judgment on whether they support an appropriation for the organization and a finding that the appropriation would benefit Norwich residents.

Shall the voters of the Town of Norwich appropriate [amount requested] to [name of organization] to be used to [describe character and purpose of use of funds], such amount being reasonably necessary for the support of programs to benefit Town residents in accordance with (Applicable Statute Number)?

5. PAYMENT OF APPROPRIATIONS

5.1 After an appropriation has been approved by Town Meeting, the outside agency requesting the funds may invoice the Town of Norwich for quarters ending: September, December, March and June, upon presentation of a log summarizing the work completed. Agencies will be reimbursed up to the amount appropriated.

5.2 The library and cemetery will receive payment in two installments that equal one-half the amount appropriated. The first invoice will be paid in September and the second in March of the fiscal year.

5.3 The invoice shall be sent to:

Finance Office
Town of Norwich
PO Box 376
Norwich, VT 05055

6. EFFECTIVE DATE

6.1 This policy is effective 1 September 2014.

Appendix A: Example Appropriation Request from a service agency

Category: Social Service

| | |
|----------------------------|--|
| Name of Organization: | Upper Valley Benevolent Society |
| Address for mailing check: | 888 Main Street White River Junction, VT, 05001 |
| Contact name: | Francine Buck |
| Telephone: | 802-555-8888 |
| E-mail: | Francine.Buck@UVBS.org |

Authority: 24 VSA § 2691

At a meeting duly warned for that purpose, a town or incorporated village may appropriate such sums of money as it deems necessary for the support of social service programs and facilities within that town for its residents. Social service programs, for which a town or incorporated village may appropriate sums of money, include, but are not limited to: transportation, nutrition, medical, child care, and other rehabilitative services for persons with low incomes, senior citizens, children, disabled persons, drug and alcohol abusers, and persons requiring employment to eliminate their need for public assistance. The authority herein granted is not in derogation of other local powers to allocate funds.

Describe services to be provided to Norwich residents.

Provision of emergency needs including food, fuel and clothing; referral to and assistance with accessing needed services in cases of emergencies, financial counseling and food and nutrition education for individuals and families, which are under emotional or financial stress.

Text of Article in the Town Warning.

Shall the voters of the Town of Norwich appropriate \$2,500 to the Upper Valley Benevolent Society to be used for emergency needs, referral to and assistance with accessing needed services, financial counseling and food and nutrition education, such amount being reasonably necessary for the support of programs to benefit Town residents in accordance with 24 VSA § 2691?

Unit of service provided.

| Unit of service (<u>underline one</u>) | Cost per unit |
|--|---------------|
| Visit <u>Person served</u> Job (describe) Other (describe) The Upper Valley Benevolent Society annual budget is \$180,000. We serve 1,000 people annually in our service area and make 600 visits per year, 24-7. Using the per visit option, our Cost per Visit is $\$180,000/600 = \$300/\text{visit}$ | \$300/person |

The organization will keep a log of services provided and be reimbursed quarterly up to the amount appropriated.

Appropriation requests

| Sum appropriated for current FY | Sum requested next FY |
|---------------------------------|-----------------------|
| \$2,500 | \$2,500 |

Organization Name: Upper Valley Benevolent Society
Log of services performed to Norwich residents per 24 VSA § 2691
 Quarter: 1 March to 30 June 2014

| Date | Service provided to residents | Units provided |
|-------------|---|----------------|
| 14 March | Fuel assistance referral, Norwich | 1 |
| 23 March | Family crisis intervention, Norwich | 1 |
| 17 May | Home family counseling session, Norwich | 2 |
| 23 May | Emergency relocation for Norwich fire. | 1 |
| 15 June | Counseling referral for Norwich person. | 1 |
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Invoiced units for this page:

$$\frac{6}{\text{Units provided}} \times \frac{\$300}{\text{Cost per unit}} = \frac{\$1,800}{\text{Invoiced amount, this page.}}$$

Signature

Date

Appendix B: Example Appropriation Request from an historic celebrant

Category: Historic Events

| | |
|----------------------------|---------------------------------------|
| Name of Organization: | Norwich Independence Society |
| Address for mailing check: | 888 Main Street Norwich, VT, 05055 |
| Contact name: | Tante Samantha |
| Telephone: | 802-999-8888 |
| E-mail: | tante.samantha@NMCS.org |

Authority: 24 VSA § 3907

A municipality may appropriate such sums of money as it deems necessary for the proper observance of Memorial Day, for the celebration of historic events, and for the erection and dedication of monuments or tablets to commemorate the same.

Describe services to be rendered to Norwich residents.

Provision of flags, bunting, and fireworks for the celebration of the Fourth of July (Independence Day).

Text of Article in the Town Warning.

Shall the voters of the Town of Norwich appropriate \$2,000 to the Norwich Independence Society, to be used for the Town's observance of Independence Day, such amount being reasonably necessary to provide fireworks and celebratory decorations for the enjoyment of Town residents in accordance with 24 VSA § 3907?

Unit of service provided.

| Unit of service (circle one) | Cost per unit |
|--|----------------|
| <p><u>Event (describe)</u>: Independence Day celebration.</p> <p>Other (describe)</p> <p>Cost of fireworks: \$1,500 Cost of flags, bunting and other decorations: \$500.</p> | <p>\$2,000</p> |
| <p><i>Instructions:</i></p> <p>For each type of event that you support, estimate what each of those provided to Norwich residents would cost, individually, and enter as “cost per unit” for each event.</p> | |

The organization will keep a log of services provided and be reimbursed quarterly up to the amount appropriated.

Appropriation requests

| Sum appropriated for FY 2015 | Sum requested for FY 2016 |
|------------------------------|---------------------------|
| <p>\$2,000</p> | <p>\$2,000</p> |

Organization Name: Norwich Independence Society
Log of historic events held in Norwich per 24 VSA § 3907
 Quarter: 1 July to 30 September 2014

| Date | Event held | Units Provided |
|-----------|--|----------------|
| 4 July | Independence Day celebration (Invoices for goods and services attached = \$2,138.89) | 1 |
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Invoiced events for this page:

$$\begin{array}{rcl}
 \underline{\quad 1 \quad} & \times & \underline{\quad \$2,000 \quad} = \underline{\quad \$2,000 \quad} \\
 \text{Units provided} & \text{Cost per unit} & \text{Invoiced amount for unit.} \\
 \underline{\quad 1 \quad} & = & \underline{\quad \$2,000 \quad} \\
 \text{Sum of amounts} & & \text{Invoiced amount.}
 \end{array}$$

Signature

Date

Appendix C: Example Appropriation Request from a recreation provider

Category: Recreational Activities and Facilities

| | |
|----------------------------|--|
| Name of Organization: | The Upper Valley Par Cours Association |
| Address for mailing check: | 888 Main Street Woodstock, VT 05091 |
| Contact name: | Terrence Wayforth |
| Telephone: | 802-888-9999 |
| E-mail: | t.wayforth@UVparcours.org |

Authority: 31 VSA § 201

A city by its council or an incorporated village, at an annual meeting, may appropriate such sums of money as it deems best, not exceeding four percent of its grand list, for the purchase of public playgrounds and lands, and for the construction and maintenance of buildings and equipment thereon, for public recreational purposes.

This section shall not apply to a city or incorporated village whose charter or by-laws authorize such appropriation.

Describe services to be rendered to Norwich residents.

The Upper Valley Par Cours Association coordinates the building and maintenance of trail and exercise facilities in Norwich. In addition, it provides specialized equipment and tools to the volunteers whom it coordinates.

Text of Article in the Town Warning.

Shall the voters of the Town of Norwich appropriate \$1,300 to the Upper Valley Par Cours Association to be used toward the construction and maintenance of trails and other exercise facilities, such amount being reasonably necessary for the support of programs to benefit Town residents in accordance with 31 VSA § 201?

Unit of service provided.

| Unit of service (circle one) | Cost per unit |
|---|---------------|
| Person served <u>Event (describe)</u> Job (describe) Other (describe) The Upper Valley Par Cours Association coordinates the mobilization of volunteers and provides supervision for those volunteers. It requires four hours of coordinating time per event to mobilize volunteers and eight hours to supervise the volunteers. The billable rate of the coordinating staff is \$25/hour with overhead. A unit is a day of coordinated volunteer work. | \$300/day |

Instructions:

If you provide a consistent type of service, consider what best describes it (visit, person served, job, etc.); this is your “unit of service”. Now take your operating budget for providing this type of service and divide by all the units that you do in a year. This is your “cost per unit”.

If your service is coordinating volunteers, remember that the service applies to the people receiving the benefit from the volunteers; it doesn’t apply to the volunteers.

If you provide services by separate, unlike projects or jobs, then estimate what each of those provided to Norwich residents would cost, individually and enter as “cost per unit” for each job.

The organization will keep a log of services provided and be reimbursed quarterly up to the amount appropriated.

Appropriation requests

| Sum appropriated for FY 2015 | Sum requested for FY 2016 |
|------------------------------|---------------------------|
| \$1,300 | \$1,300 |

Organization Name: The Upper Valley Par Cours Association
Log of services performed to Norwich residents per 31 VSA § 201
 Quarter: 1 March to 30 June 2014

| Date | Service provided | Units Provided |
|-------------|---|-----------------------|
| 29 May | Mobilized and supervised volunteers to build Ballard Trail bridge abutment. | 2 |
| 10 June | Mobilized and supervised volunteers to build Ballard Trail bridge span. | 2 |
| 17 June | Mobilized and supervised volunteers to build Ballard Trail bridge abutment. | 1 |
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Invoiced events for this page:

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| 5 | | \$300 | | \$1,500 |
| Units provided | | Cost per unit | | Invoiced amount for unit. |
| _____ | = | _____ | | _____ |
| 5 | | \$1,300 (Appropriated) | | |
| Sum of amounts | | Invoiced amount. | | |

Signature

Date

Appendix C: Example Appropriation Request from a recreation provider

Appendix D: Examples of how to calculate cost per unit and invoiced amount.

1. **Visit:** If your organization visits various venues, then you could take the cost, including a reasonable overhead burden, of visiting all such venues in a year and divide it by the number of venues that you visit in all jurisdictions. Your Cost per unit would be *Cost per visit*. You would then report all visits to Norwich residents on your **Log of services** and invoice the Town for the *Number of visits × Cost per visit = Invoiced amount*.
2. **Person served:** If your organization can enumerate the number of people served annually, then you could take the cost, including a reasonable overhead burden, of serving all such people in a year and divide it by the number of people that you serve in all jurisdictions. Your Cost per unit would be *Cost per person served*. You would then report all in Norwich residents served on your **Log of services** and invoice the Town for the *Number of people served × Cost per person served = Invoiced amount*.
3. **Job:** If your organization performs individual jobs of varying cost, then you should describe each separately, to the extent possible. Your Cost per unit, including a reasonable overhead burden, would be *Cost per job*. You would then report all jobs, serving Norwich residents, on your **Log of services** and invoice the Town for the *Name of job: Cost of job = Invoiced amount*.
4. **Event:** If your organization performs individual events of varying cost, then you should describe each separately, to the extent possible. Your Cost per unit, including a reasonable overhead burden, would be *Cost per event*. You would then report all events in Norwich on your **Log of services** and invoice the Town for the *Name of event × Cost of event = Invoiced amount*.
5. **Other:** If your organization has some other basis for establishing cost, including a reasonable overhead burden, then find some basis to calculate it for all persons served. Your Cost per unit would be *Cost per (unit of your making)*. You would then report all units that served Norwich residents on your **Log of services** and invoice the Town for the *Name of service × Cost of unit = Invoiced amount*.