

Guidelines for Financial Management

Town of Middlefield

Introduction. Management of Town finances represents a fundamental function and responsibility for town government. Adherence to all regulations and laws is required in addition to incorporation of sound, fiscally prudent principles to optimize taxpayer funds. Guidelines support the orderly provision of services, necessary cash flow, and appropriate budgeting and capital planning processes.

Guidelines. The following guidelines define the approach to be utilized for financial management by the government of the Town of Middlefield.

- Availability of funds to adequately provide support services to the town population; protection against a decrease in service levels and/or increase in taxes due to revenue shortfalls or one time expense occurrences.
- Establishment of plans to keep taxes at a reasonable level and as possible minimize large annual increases.
- Cost effectiveness in expense incurrence acknowledging the policy on procurement.
- Maintenance of a well designed investment policy.
- Use of effective budgetary practices to guide annual spending plans.
- As feasible, reference to multi year operating and capital plans to best prepare for future needs.
- Requirement for balance and flexibility in determining amounts necessary for unplanned events which may have significant volatility and impact.
- Annual review during budget process to assure sufficient fund balances and contingency dollars to respond to impact of revenue shortfalls and unanticipated expenses. It is noted that this is a local determination as the Office of the State Controller intentionally does not recommend an amount or formula for this purpose.