

**PUBLIC FUNDS POLICY & PROCEDURE**  
Shaftsbury, Vermont

**Article 1. Policy Purpose**

The purpose of a Public Funds Policy and Procedure is to ensure that the use of these funds is:

- a) prudent and justifiable to all reasonable public inquiry;
- b) in accordance with stipulations and accepted practice which apply to the separate funds comprising the Public Funds;
- c) considered promptly through an established procedure and decided objectively and fairly;
- d) in harmony with management policies and practices of the Trustees of Public Funds and the Town of Shaftsbury.

**Article 2. Definitions**

For the purposes of this policy the following definitions shall apply:

- a) Prudent: Applying the “prudent man principle” to all considerations of the use of the Public Funds i.e. treating them with the care given one’s own funds and maintaining principal so as to ensure the continuing purchasing power of the income produced.
- b) Resident: A person registered to vote in Shaftsbury or eligible to register.
- c) Income. The amount earned and credited to each fund each fiscal year, reported as “Income” in the annual town report, and available for disbursement in the following fiscal year. At fiscal year-end income that has not been disbursed is added to the principal.
- d) Principal. The ending “Balance” for the fiscal year reported in the town report, less subsequent disbursements of that year’s income, plus any additions.

**Article 3. Policies**

- a) Use of the money available in each of the separate funds comprising the Public Funds is governed by stipulations in the description of those funds as published in the annual town report.
- b) Disbursements from annual income only is stipulated for the following funds:
  - The Cemetery Perpetual Care Fund income may only be used to generate further income for perpetual care.
  - The School Fund income is paid annual to the school district.
  - The Library Fund (restricted) income is paid annual to the Mary Monroe Hawkins Memorial Library Association to purchase books for the library at Shaftsbury Elementary School.

The Health Fund uses net income to provide for needed current activities related to community health.

The Recreation Fund income is remitted to the Town of Shaftsbury at the end of the fiscal year for use by the Recreation Committee.

The Julia Mattison Fund uses net income to assist with the care, comfort and maintenance of any aged and needful woman who is a resident of the Town of Shaftsbury.

Disbursements from principal may occur in the following funds:

The Cemetery Trust Fund may use principal to acquire equipment needed for the care of cemeteries or for the procurement of additional land.

The Library Fund (unrestricted) may use principal and is disbursed at the discretion of the Mary Monroe Hawkins Memorial Library Association.

The George W. Hawkins Fund is unrestricted and disbursed at the discretion of the selectboard. It has been the policy of the Board to maintain a minimum principal of \$80,000.

c) Funds are to be used for the direct benefit of residents of Shaftsbury or the town as a whole. This could include a proportionate contribution to a joint endeavor among neighboring municipalities. In applications involving property improvement the resident must be the owner of the property.

d) Maximize the availability of the funds' limited income by providing for a number of smaller assisting grants as opposed to a large single grant. Grants in response to individual or organizational applications are capped at \$750.

#### **Article 4. Procedures**

a) Applications must be accompanied by the application form provided for that purpose. Applications by or on behalf of individuals are to be accompanied by an endorsement from an established social service agency or similar organization.

b) Applications will be processed by the town administrator promptly. Completed applications will be presented anonymously to the selectboard.

c) Individual grants will be executed through the endorsing agency. Payment will be made to the agency, not the individual, when the need has been met satisfactorily or completion guaranteed by the agency.

d) The town administrator will advise the Trustees of Public Funds when any request is received in consideration of cash management and comment. The selectboard will inform the trustees by letter as to disbursement for grants approved.

Charles Yoder  
George Cowper  
Kathy Cardiff, Trustees