REVIEW OF FINANCIAL POLICIES AND PROCEDURES

TOWN OF WAYLAND, MASSACHUSETTS

EDWARD J. COLLINS, JR. CENTER FOR PUBLIC MANAGEMENT

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UMASS
BOSTON

ACKNOWLEDGEMENTS

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EXECUTIVE SUMMARY

The Town of Wayland has many strengths related to its finances, culminating in its AAA bond rating, a distinction held by only about 15% of the Commonwealth's 351 municipalities. At the same time, the Town faces many challenges related to its financial operations. The Town reached out to the Center with a request to study the day-to-day finance operations of the Town and provide recommendations to help resolve some immediate operational challenges within the finance-related departments.

While the findings and recommendations in this report focus mostly on specific finance-related topics, they are all set within the context of finance operations in a highly decentralized organizational structure that more closely resembles the organizational structure of towns with smaller budgets and populations than a town of Wayland's size and sophistication. Although making recommendations on this topic was beyond the scope of this report, the project team encourages the Town to undertake future study of whether this structure remains optimal in an increasingly complex financial, statutory, and intergovernmental context.

As with the structure issue noted above, the first two findings of this report are cross-cutting. They are also interrelated. The first is that the Town lacks formal and/or written financial operations policies and procedures on a wide variety of topics and sub-topics. The second is that inter-departmental communications are weak. Tackling both of these will require collaboration. Continuing and expanding meetings between departments will be key to fixing both of these.

The findings that relate to information technology (IT) generally fall into two categories. The first set relates to the Town's primary financial management software packages, starting with the fact that the Town utilizes and pays for two, when the majority of municipalities only use one. It also includes the fact that there are issues over responsibility for training on, support for, and access to these systems. The second set includes more general IT challenges affecting all departments but that particularly challenge finance-related departments, including issues of outdated hardware.

The second category of findings focuses on payroll and includes both narrow items that could be easy to fix and longer-term challenges that will take significant time and thought to address. The narrow issues include things like pay advices not having up-to-date information on benefit day balances, while the long-term challenges include the high number of payrolls and the unusual payroll schedule.

The report's accounts payable findings focus on specific cases where there are missing policies and procedures affecting operations, including around the vendor master file and submitting invoices. They also include challenges from workflow interruptions and the issuance of expense reimbursement checks.

The report's findings related to collections, receivables, and commitments highlight the fact that funds collected by some departments are not turned over in a timely manner, and that there are delays issuing and posting commitments.

Finally, there report addresses a handful of findings related to procurement. This includes noting that there is no consistent procedure for verifying availability of funds for the purchase built into the existing procurement process and that the process sometimes does not transmit final approval back to the person making the initial request. There are also findings related to a perceived slowdown of the procurement process and the lack of a common repository for contract information.

BACKGROUND

About the Town

The Town of Wayland provides a lengthy self-description on the opening page of the official Town website:

> Wayland is a stable and progressive community, characterized by a legacy of civic engagement and a commitment to citizen self-governance, advised and supported by professional staff. It is a community that thoughtfully plans for its future through the efforts of elected and appointed citizens serving on many boards and committees, embracing Wayland's history and heritage, protecting its semi-rural character through preservation of open spaces, and valuing its fiscal stability. Most of all, it is a caring community of residents from a variety of religious, ethnic and cultural backgrounds, bound together by a tradition of philanthropy and volunteer spirit. Citizens offer their time and talent to a variety of charitable causes and cultural organizations that make Wayland a wonderful place in which to live.
>
> The Town of Wayland is committed to delivering the highest quality municipal services in a fiscally responsible and an operationally responsive manner to the citizen-customers that it serves. Our residents enjoy a full array of facilities and services including: full-time police and fire protection; award-winning schools for grades kindergarten through 12 (three elementary, one middle, and one senior high school); street maintenance and snow removal; public health and natural resource protection; elder, youth and veterans services; a full service library; a public beach on Lake Cochituate; and a number of parks, playgrounds, conservation lands, and recreational facilities and programs. The Town also operates its own water supply, purification, and distribution system and provides a solid waste transfer station and recycling facility for residents on a fee-for-service basis. Wayland offers its residents many educational, recreational and cultural opportunities, both within the community and as part of the greater Boston metropolitan region. (http://www.wayland.ma.us/Pages/index)

About the Project

The Town reached out to the Center with a request to study the finance operations of the Town and provide recommendations to help resolve some immediate operational challenges within the finance-related departments. After some discussion among Town offices, the Town provided the project team with the following description of the goals of the work:

> "The Wayland Finance Team sees the effort as an external review resulting in recommendations on the operation of the town's financial processes and procedures. We would like the review to occur in the period June through August, 2016 depending on the availability of Collins Center resources. The Finance Team sees the Collins Center review as a means to benchmark our existing day to day finance practices against accepted best practices. An excellent result from the Collins Center Study will be practical recommendations to make us better at what we do, individually and collectively. By "better at what we do", we mean more efficient, legally compliant, customer friendly and organized for planning and problem solving. We look forward

to recommendations from the Collins Center on policy, organization, work flow, procedures, schedules, communication and use of technology to improve our current financial systems."

It is important to note that this study was not intended to take into account structural and organizational issues, which will be addressed briefly below.

About the Finance Operations

The Town has many strengths related to its finances and financial operations, chief among them its AAA bond rating, which is only held by about 15% of municipalities in the Commonwealth. Beyond that, signs of the Town's strengths include its first completed CAFR this year and its strong free cash position.

Behind those external signs of strength is significant strength in human capital. The department heads and staff of the various finance-related departments all show a deep commitment to the Town and frequently praised each other's dedication and abilities. The project team was also generally impressed with the commitment and capabilities of those interviewed. Moreover, the Town is fortunate to have a mix of those with significant institutional knowledge and those who bring fresh perspectives to the operations.

More recently, several changes are contributing and likely will continue contributing to additional improvements. These include improving communications and collaborations (e.g., the relatively recent restoration of regular department head meetings), re-introducing performance reviews, and creating and filling the new IT executive director position.

Taken together, the Town has many strengths to serve as a foundation for the work of this study.

The findings and recommendations that follow in the next section will touch on a wide variety of departments, processes, policies, and services. However, there is one over-arching and cross-cutting issue beyond the scope of this report that the project team believes it is essential to raise upfront, because it touches on all aspects of the financial operations in Town. The organizational structure of financial operations in Town is highly decentralized for a town of Wayland's size and complexity.

Figure 1. Wayland Finance-Related Operations Organizational Chart
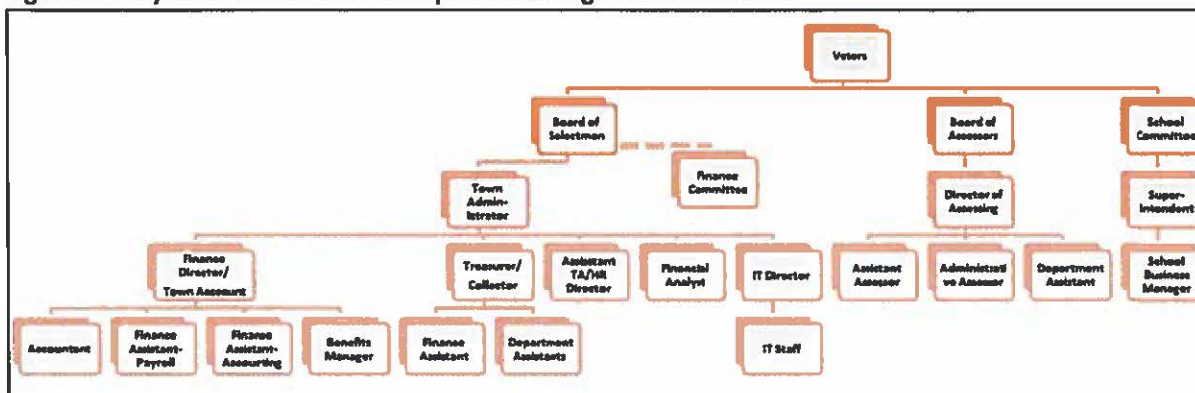
As can be seen in an organizational chart of finance-related operations, there is no single point of responsibility nor chain of command responsible for the financial operations of the Town. This becomes evident even in the nomenclature used for the Town's finance operations. The Town has a department titled Finance, led by a Finance Director, that has no authority to direct town finance operations, including treasury, collections, assessing, procurement, or the financial analyst – neither in reporting relationships nor in how information is presented to the public (e.g., the website).

Furthermore, Wayland's Town Administrator Special Act (Chapter 320 of the Acts of 2004) and the Town bylaws (Chapter 60, Section 2) both describe the finance director postion as "Finance Director, who shall have the authority and responsibilities of a Town accountant." The only other reference to the position in either the special act or town bylaws involve the position's role to work with the Town Administrator and Finance Committee on budget-related strategies, guidelines, etc. Similarly, the Town Administrator is described in the Special Act as "the chief operating and administrative officer of the town" who shall be "responsible and accountable for ensuring there is appropriate administration and coordination, in the implementation of and adherence to town policies affecting town departments and in the development and execution of programs affecting various town departments." Presumably, these general responsibilities might include finance-related policies and operations, but the Administrator's role has not been interpreted this way historically in Wayland. Looking at both positions together, it is clear that neither position (nor any other in Town government) is granted sufficient authority to truly manage the overall financial operations of the Town.

This decentralized finance organizational structure has an impact on operations in numerous and significant ways. It can create difficulty in making inter-departmental decisions (e.g., difficulty in centralizing software); it can lead to confusion about roles and responsibilities, etc.; and it can leave the Town with no way to resolve disagreements between departments that have different reporting relationships. Many of the issues identified in this report can be linked directly or indirectly to these organizational structure challenges.

Wayland is by no means the only Massachusetts town with this challenge. Almost all Massachusetts towns were at one point like this. However, based on the project team's observations, the Town is one of the larger and most sophisticated towns that still operate in this manner. (See Appendix A for Finance organizational charts for Concord, Weston, etc.) The decentralization is also understandable, given the Town's abiding commitment to its "legacy of civic engagement and a commitment to citizen self-governance," as stated right at the opening of the self-description on the website.

A full analysis of the organizational structure of the finance operations and related recommendations are beyond the scope of this report. Nevertheless, the project team encourages the Town to revisit this issue at another point in time.

METHODOLOGY

Document Review

At the beginning of the project, the Center's project team requested and received numerous documents relating to the Town's financial operation. These included:

1. the existing bylaws, general laws accepted, and special acts (often referred to as the "legal base" of the Town);
2. the most recent Town budget, annual report, and external audit management letter;
3. any recent external reports commissioned by the Town related to finance;
4. job descriptions of finance-related positions; and
5. written financial policies.

Please see Appendix B for a complete list of documents provided in response to this request.

Throughout the course of the project, the project team reviewed additional documents, including many examples of Town reports and internal documents provided by staff. (Please see Appendix B for a list of these documents.) In addition, several staff interviewed provided the project team with additional unsolicited documents to demonstrate various issues of concern to them.

Interviews

The project team conducted 22 formal interviews, as well as 8 follow-up interviews.

Research on Alternative Approaches and Best Practices

The project team spoke with colleagues and collected examples of various procedures and policies used in other Massachusetts municipalities.

FINDINGS AND RECOMMENDATIONS

Findings and Recommendations Summary		
Page	**Finding**	**Recommendation**
1. Overarching Findings and Recommendations		
12	1.1: Lack of formal and/or written financial operations policies and procedures	*Work collaboratively to develop agreed-upon written policies and procedures. Consider compiling these into a single manual or handbook.*
12	1.2: Inter-departmental communications are weak	*Continue the relatively new practice of having finance meetings of finance-related department heads. Convene staff meetings with appropriate staff to address or resolve any issues that impact the regular, accurate transfer of information or any other issue causing concern among staff.*
2. Information Technology		
14	2.1: The Town pays for and uses two financial management software packages (VADAR and MUNIS)	*Involve all users of the finanical management software packages in a process that allows the Town to select one of the two systems and abandon the other. Use this process to analyze utilization of the selected system to determine unused modules and missed opportunities.*
14	2.2: There is a lack of clear responsibility for oversight and management of finance software systems	*Develop a formal process to assign responsibility for key administrative functions for the financial management software.*
14	2.3: Users do not always have access to the accounts they need in order to perform their duties	*Create regular team review process to evaluate and update (if needed) user account access and MUNIS workflows, in connection with the previous recommendation about responsibility for the system. Create master chart of software access needs by position.*
15	2.4: There is a lack of training and support on finance systems	*Offer staff regular opportunities for MUNIS training, including both new employees and refreshers for current employees. Develop a new Wayland-specific MUNIS guide for finance-related officials.*
15	2.5: The Town lacks an internal file-sharing mechanism	*Continue to move forward on creating an internal, secure file-sharing mechanism, such as a shared drive or cloud-based storage solution.*
16	2.6: Computers are freezing, moving slowly, etc.	*Continue to evaluate and upgrade hardware, and should consider using the capital budgeting process to prioritize department requests and establish a rotating schedule for upgrading.*
3. Payroll		
17	3.1: The payroll period runs from Thursday to Wednesday and checks for	*Change the payroll period to more traditional "best practice" of Sunday to Saturday and leave rest of*

		that period go out the following day	payroll process days unchanged.(This process may need to occur over a period of several years and will need to be agreed upon through the collective bargaining process.)
17		3.2: Schools payroll and personnel budgeting being done in Excel	Collaborate with MUNIS to ensure that it has the necessary functions to meet the Schools needs.
17		3.3: Injured On Duty changes (IODs) taken are held until the end of the year	Process IODs regularly through course of the year.
17		3.4: Pay stubs either have no information or incorrect information on benefit day balances	Add benefit day balances to pay stubs and put in place a system to keep them up-to-date.
18		3.5: There is a high number of payrolls	Continue to pursue the option to find a vendor to perform the payroll function. Establish a timeline for departments to submit payroll exceptions such as overtime.
4.	**Accounts Payable**		
19		4.1: Lack of formal procedures and policies regarding the vendor master file	Develop an agreed-upon written policy for additions to vendor master file to ensure that this can be done in a timely fashion while preserving necessary internal controls.
19		4.2: Walk-ins, primarily from Town staff, cause significant workflow interruptions	Create FAQs for most common questions. Consider letting frequently-interrupted departments create clearly-marked and advertised times when they are closed to all internal walk-ins except emergencies.
20		4.3: Expense reimbursement checks only mailed to residences	Consider combining the issuance of reimbursement checks with its regular payrolls checks.
20		4.4: Deadlines for submitting invoices cause challenges for other departments	Begin an inter-departmental dialogue to determine optimal deadlines for submitting invoices for the warrant and revisit this deadline at least annually to discuss whether it is working for all of the parties involved.
5.	**Accounting**		
21		5.1: Significant amount of time on journal entries	Consider working with MUNIS to change the programming so that the software makes all four of the necessary entries automatically when input on the Treasurer's side of the office instead of the two it makes now.
21		**5.2: There is lack of a check/balance in the process between Collector's side of the Treasurer/Collector's office and Accounting**	A single Finance system would enable direct postings to the accounting system from the Collector's office, which could later be verified by the Finance department based on the Treasurer's turnover of amounts deposited.
6.	**Collections, Receivables, and Commitments**		
23		6.1: Funds collected by some departments are not turned over in a timely manner	Establish both a dollar threshhold so that significant revenue is turned over in a timely manner, as well as a regular schedule for turning over funds collected that do not meet the dollar amount.

23	6.2: There are delays issuing and posting commitments	*Explore with town counsel whether the Asssessors can designate a single member of the board to sign commitments or otherwise delegate this task to the Director of Assessing to ensure timely commitments.*
7. Procurement		
24	7.1: The procurement process does not contain a consistent procedure for verifying availability of funds for the purchase	*Create written procedures for verifying availability of funds for the purchase and should establish a system for encumbering funds and issuing payments out of the purchase order.*
24	7.2: Procurement process sometimes does not transmit final approval back to the person making the initial request	*Review the process to determine cause of the issue.*
24	7.3: Procurement process has slowed down in recent years	*Complete, adopt, and share a schedule for procurement process steps, including approvals and deadlines.*
24	7.4: There is no common repository for contract information	*Establish a document management system or shared drive for both finance and facilities to have access to current and prior contract information.*

1. Overarching Findings and Recommendations

The following findings and recommendations relate to overaching or inter-departmental issues that the project team found during its research.

1.1: Lack of formal and/or written financial operations policies and procedures

One recurring finding throughout this project was the general lack of formal and/or written financial operations policies and procedures throughout the Town. This issue was actually raised by officials as one of the reasons for requesting this report, and the project team reaffirms its importance for a wide variety of topics and functions. (Note that *specific* policies and procedures will be addressed in later sections of this report.) This is at least partially due to the lack of a single, central point of responsibility and accountability for overall financial management, as noted in the background section.

> *Recommendation: Town officials should work collaboratively to develop agreed-upon written policies and procedures, including clear process for updating those policies and procedures, and including timelines and deadlines for completion of processes and tasks. The Town should consider compiling these into a single manual or handbook available electronically and provided in paper to any Town employee who requests it. The project team has located several examples of internal financial policies and procedures manuals.(See Figure 2.)*

Figure 2. Example Financial Policies & Procedures Manuals		
Municipality	*Document*	*Link*
Town of Ashby	*Administration and Finance Policies and Procedures*	*http://www.ashbyma.gov/document/official/Admin%20and%20Finance%20Policies.pdf*
Town of Conway	*Financial Policies & Procedures*	*http://www.townofconway.com/admin/wp-content/uploads/2009/10/Financial-Policies-Procedures-Manual_.pdf*
Town of Montague	*Finance Policies and Procedures Manual*	*http://www.montague.net/pages/MontagueMA_Finance/PoliciesProcedures.pdf*
Town of Winchester	*Financial Policies & Procedures Manual*	*http://www.faa-inc.com/images/WinchesterBinder.pdf*

1.2: Inter-departmental communications are weak

A second common thread throughout the project team's interviews was that communication channels within the finance operations appear to be broken and to have been broken for quite some time. The project team was provided numerous direct and indirect examples of problems that arise due to failures of communication. In many instances, interdepartmental communication challenges, together with the lack of financial policies to guide these interactions, have been exacerbated by the lack of clear lines of accountability and authority over the town's financial management. These examples ranged from minor, day-to-day issues (e.g., no reasons given by a department for why it rejected something sent by another department, unannounced changes to deadlines for frequently-recurring tasks) to larger, big-pictures issues (e.g., changes to critical Town-wide deadlines not conveyed to affected staff).

The problem of insufficient or ineffective internal communications is not unique to Wayland. It is an issue the project team has seen repeated in many towns across the Commonwealth, especially related

to finance operations. Part of the reason that finance is a common place for internal communications challenges relates to the competing demands related to finance. Finance constantly has to balance the need to adhere to policies and procedures that provide control mechanisms and protect the Town against the need for some speed and/or flexibility in particular circumstances. This tension frequently leads to disagreements in finance departments and between them and other municipal departments. Nevertheless, these challenges do seem to be particularly entrenched and damaging in Wayland's case.

A sense of frustration and low morale was a common feeling among interviewees, and much of it seemed to be directly connected to these communications issues. At the same time, there has been progress, as noted in the background. Recently-introduced department head meetings have helped to improve communications channels between finance managers. (Note that *specific* communications problems will be addressed in later sections of this report.)

> ***Recommendation:*** *The Town should continue the relatively new practice of having meetings of finance-related department heads and should use these meetings strategically to tackle the lack of formal policies and procedures noted in Section 1.1. The meetings should include formal agendas and should have time set aside to address systemic issues and to raise issues occuring in the month or quarter. Beyond that, as specific issues emerge that relate to other finance staff below the department head level, department heads should convene staff meetings with appropriate staff to address or resolve any issues that impact the regular, accurate transfer of information or any other issue causing concern among staff. Many recommendations throughout this report will necessitate meetings of this nature. Additionally, all tasks coming out of any of these meetings should be clearly assigned to specific individuals with concrete timelines. Given the existing communications challenges facing finance-related departments, it must be clear leaving each meeting who is responsible for each task, likely through a task list created during the meeting, reviewed at the end of the meeting, and distributed immediately afterward to all attendees.*

2. Information Technology

The following findings and recommendations relate to Information Technology (IT) issues. It is important to note at the beginning of this section that the Town's new IT Executive Director only started recently and has already begun to address some of the items in this section and that the potential future hiring of a systems analyst may accelerate the work.

2.1: The Town pays for and uses two financial management software packages (VADAR and MUNIS)

A majority of municipalities in Massachusetts use one of three main software packages for financial management. Wayland is among a very small number that uses two systems, VADAR Systems and MUNIS by Tyler Technologies. All departments in the Town use MUNIS for a wide variety of functions. At the same time, the Assessing department and Treasurer/Collector's office are using VADAR for generating commitments and tracking collections.

Aside from the direct cost of paying for both systems (approximately $16,000 annually for VADAR and $100,000 annually for MUNIS), the use of two systems creates significant inefficiency by requiring multiple entries of the same information and leading to increased errors to be found and fixed.

From what the project team understands, the initial selection process was not inclusive and may have contributed to the decisions that led to having two systems.

> *Recommendation: Involve all users of the finanical management software packages in a process that allows the Town to select one of the two systems and abandon the other. Use this process to analyze utilization of the selected system to determine unused modules and missed opportunities.*

2.2: There is a lack of clear responsibility for oversight and management of finance software systems

Financial software packages need to have clear points of responsibility and processses for important steps, such as adding new users, granting permissions, etc. This often requires close collaboration beween finance and IT. In particular, the assignment of access and accounts needs a clear process that balances the need for protection against the need for access and nimbleness. There has been some confusion around this in Wayland. Some of this may be addressed by the creation and hiring of the new IT executive director position.

> *Recommendation: The Town should develop a formal process to assign responsibility for key administrative functions for the financial management software. This would liklely include vesting one position with responsibility to recommend any changes to the system's structure, employee roles and access, and assignment of these roles to specific employees, and a second person who would need to review and approve or reject those changes. Once approved, the changes would then go to IT for implementation.*

2.3: Users do not always have access to the accounts they need in order to perform their duties

The project team heard multiple expressions of frustration from staff about not having the access to the accounts that they felt they needed to perform their duties efficiently. Several interviewees referenced the fact that MUNIS access is tied to job titles, which may be contributing to the challenge of assigning users the correct accounts (and not providing users access to accounts they should not have access to).

More generally, the project team was informed that the Town has already, in collaboration with MUNIS staff, identified that its workflows and roles need major revision.

> **Recommendation:** *There should be a regular team review process to evaluate and update (if needed) user account access and MUNIS workflows, in connection with the previous recommendation about responsibility for the system. To make these meetings efficient and to allow for consistency throughout any personnel changes, there should be a master chart of software access needs by position.*

2.4: There is a lack of training and support on finance systems

A recurring theme that the project team encountered was difficulties relating to usage of the finanical management software packages. This was raised especially frequently with regard to MUNIS, most likely because there are so many more users among staff. There were actually several pieces to this issue. First, the project team was informed that there was no formal new employee training, at least not in the recent past. This is critical in terms of providing new employees the MUNIS knowledge they will need to accomplish their work.

Second, the Town does not appear to have a recent designated Wayland-specific reference document or user guide, which is something that many other municipalities have found useful. While MUNIS has many tutorials accessible electronically, they are obviously not focused on Wayland's use and needs, and there was some disagreement about how useful they were even as general learning tools.

Finally, there seemed to be confusion over where to go for help when there were MUNIS questions. Whose role it is to provide assistance, what level of support that should be, and how much responsibility users bear for their learning all seemed to be unsettled issues that were causing frustration. One example brought to the project team's attention was the ability of department heads and department staff to run their own MUNIS reports to track actual expenditures against their budgets. There was no clear sense of who was responsible for providing this training, and there was no clear sense of what the department heads' responsibilities were to learn this.

Taken together, all of these things have increased both inefficiency and conflict when questions or differences arise around the use of MUNIS.

> **Recommendation:** *The Town should offer staff regular opportunities for MUNIS training, including both new employees and refreshers for current employees. The Town should develop a new Wayland-specific MUNIS guide for finance-related officials that covers the major MUNIS functions critical for Wayland finance operations. Support for MUNIS should be centered in the IT department, once the department has filled the new position being created, rather than through the Finance Department. (This should not preclude departments with particular skill in MUNIS informally helping one another if available and able.)*

2.5: The Town lacks an internal file-sharing mechanism

The Town's apparent lack of a secure internal file-sharing mechanism is both inefficient and a potential security risk. At this time, information that needs to pass from one department to another is passed via email attachment or memory stick. In the case of finance operations, this can include large files and files with sensitive information. As is the case with many of the IT-related findings and recommendations, this is being addressed by the creation of and hiring for the new IT executive director position.

>*Recommendation: The Town should continue to move forward on creating an internal, secure file-sharing mechanism, such as a shared drive or cloud-based storage solution.*

2.6: Computers are freezing, moving slowly, etc.

As noted in a prior consulting report focused on IT, much of the Town's IT hardware is at or near the end of its useful life. This may be contributing to the theme of slow and freezing computers that multiple staff noted to the project team. Even though it is the project team's understanding that this is being addressed by the new IT executive director, it is important to include it here, because it has been contribution to frustration in finance-related departments.

>*Recommendation: The Town should continue to evaluate and upgrade hardware, and should consider using the capital budgeting process to prioritize department requests and establish a rotating schedule for upgrading.*

3. Payroll

The following findings and recommendations relate to Payroll issues. In Massachusetts municipalities, responsibility for payroll is typically divided between the Accounting and Treasurer's offices, although the particular division of responsibilities varies across the state. In Wayland, the Finance office prepares the payroll based on submissions from departments. The Treasurer's office is responsible for issuing the payments (either through direct deposit or paper check), and paying state and federal taxes, as well as directing employee contributions to health insurance and pension.

3.1: The payroll period runs from Thursday to Wednesday and checks for that period go out the following day

Though this systems has been in place for decades, none of the interviewees was able to articulate exactly why, except to note that the day-after pay check has roots in a collective bargaining round several years ago. It creates chaos in processing payroll, as there is little to no time for review and questions. The process also leaves Departments often needing to submit payroll exceptions, and though there are 26 payroll periods, this system led to the processing of over 52 payrolls in the last fiscal year.

> *Recommendation: The Town should change the payroll period to more traditional "best practice" of Sunday to Saturday and leave rest of payroll process days unchanged. Making this change will remove some of the chaos created by the current schedule and deadlines, and it will make it easier to analyze payroll data. This process may need to occur over a period of several years, and will need to be agreed upon through the collective bargaining process.*

3.2: Schools payroll and personnel budgeting being done in Excel

The Schools have allocated $15,000 for a MUNIS investment assessment, which will ideally allow them to improve their usage of MUNIS personnel/payroll modules and allow them to use the system more fully. Recently, the School Business Manager moved the school's special revenue funds into MUNIS, thereby eliminating the Excel based tracking of these balances.

> *Recommendation: The Schools and Town should collaborate with MUNIS to ensure that it has the necessary functions to meet the Schools needs (if the off-the-shelf version does not, they can create custom options).*

3.3: Injured On Duty (IOD) changes are held until the end of the year

Employees who are being paid while IOD are paid through the regular salary line, and the adjustment is made at the end of the year on their W-2. While the Town has relatively few of these each year, this poses a challenge in tracking and managing the IOD spending throughout the year as well as managing withholdings. The project team was informed that some departments do not provide timely reporting of IODs.

> *Recommendation: The Town should process IODs regularly through course of the year and departments should submit information in a timely manner.*

3.4: Pay stubs either have no information or incorrect information on benefit day balances

For some departments, such as police and fire, sick and vacation accruals are built into the MUNIS system, so that they calculate automatically. In other cases, accruals are manually entered into MUNIS when time allows. When employees use sick or vacation time these adjustments must be manually entered as well. Employees with questions about accrual balances are then forced to call the Finance or HR offices with questions, thus slowing down other processes. Departmental delays in submitting the information on usage can also contribute to challenges in keeping the information up-to-date on pay stubs.

> *Recommendation: The Town Administrator should use the meetings of the Finance Department heads to determine the best way to track benefit day balances in the most systematic and automated manner possible and put in place a system to keep them up-to-date.*

3.5: There is a high number of payrolls

As noted, the Town issued 56 payrolls in the prior year when, if truly biweekly, there should have been only 26. This is occasionally due to employees who work overtime but is largely a function of the timing of the payroll process, whose deadlines and workflow can understandably lead to errors and ommissions that need to be addressed through additional payrolls.

> *Recommendation: The Town should continue to pursue the option to find a vendor to perform the payroll function. (There was an RFP issued for this last year, but the process was not completed.) Regardless of whether the Town moves forward with contracting this function, it must continue to fix the underlying issues including: establishing a timeline for departments to submit payroll exceptions such as overtime; putting a check/balance system in place to verify with departments prior to processing payroll; and adjusting the timeline (see above finding/recommendation).*

4. Accounts Payable

The following findings and recommendations relate to Accounts Payable issues.

4.1: Lack of formal procedures and policies regarding the vendor master file

As with all municipalities, Wayland must frequently add new outside vendors to the finance system in order to be able to pay for work completed for the Town. This vendor-adding process needs to balance the speed and adaptability required to meet the Town's obligations with the controls needed to prevent errors and abuse. Achieving that balance is always a challenge, which is why it is critically important to have formal policies and procedures that are clear and consistent. The project team was not provided with any written documentation of the Town's policies and procedures for adding vendors. (There was some disagreement over whether development of this documentation was underway or not.)

The project team heard numerous reports of frustration involving changes to policies and procedures and a lack of consistent application of policies and procedures. This seemed to be a large point of contention among the finance-related departments of the Town and a major component of the inter-departmental communications challenges theme noted in Section 1.2 of the findings and recommendations.

> *Recommendation: The Town should develop (or continue developing) an agreed-upon written policy for additions to vendor master file to ensure that this can be done in a timely fashion while preserving necessary internal controls. See Appendix E for Sample Internal Control Vendor Master File Policy and City of Clarksville, TN Internal Audit Report Criteria for Good vendor file maintenance practices*

4.2: Walk-ins, primarily from Town staff, cause significant workflow interruptions

There is research to support the negative effect of interruptions on work, especially tasks that require significant focus. The project team commonly encounters municipal departments frustrated that frequent interruptions make it difficult to complete their primary tasks, particularly in departments that have internal or external customer-facing functions.

In Wayland's case, there was frustration that walk-ins to accounts payable, particularly Town staff walk-ins, were making handling the workflow difficult. This may be the case in other departments as well, but these were not raised to the project team's attention, which could be taken as an indication that other departments have found effective ways to handle their walk-ins. Regardless, there is always a need to find a way to balance the provision of essential internal customer service between departments with the need for departments to be able to complete their tasks with minimal interruptions.

> *Recommendation: While some of this issue may be solved by the prior recommendation on developing written policies and proecdures, accounts payable and any other departments that face frequent interruptions should create and/or improve FAQs for most common questions that they are facing. If those departments are unsure of which questions are most frequent, then they begin a simple spreadsheet log of what questions they are asked and then udpate their FAQs periodically based on the log. If that step does not work, the Town should consider letting frequently-interrupted departments create clearly-marked and advertised times when they are*

closed to all internal walk-ins except emergencies. These must be clearly noted and kept constant, and they should leave ample other opportunities for staff to get needed questions answered. The affected Department should also be given time on the agenda at staff meetings for the group to identify policies and procedures to reduce these walk-ins.

4.3: Expense reimbursement checks only mailed to residences

The project team was informed that the Town has a policy only mailing checks to residences. Although not a major issue, this was a point of frustration among some interviewees. The challenge is to develop a system that allows for easier access to expense reimbursement without compromising internal controls.

> ***Recommendation:*** *The Town should consider combining the issuance of reimbursement checks with its regular payrolls checks. Reimbursements must be treated differently as these payments are not taxable. However, this can be handled by creating a separate category on the pay advice. Incorporating reimbursements into the regular payroll process will eliminate manual checks in most cases by using the direct deposit process for regular payroll checks to maintain security and also allow employees access to the funds without waiting for the mail.*

4.4: Deadlines for submitting invoices cause challenges for other departments

The submission of payables for inclusion in the vendor warrants was a frequently raised topic of concern among those interviewed. Among the issues cited were the lack of clear deadlines and procedures around submitting payable batches through MUNIS that caused delays with getting invoices included in the payables warrant. In some cases, this problem appears to be exacerbated by the lack of MUNIS training or the lack of departmental access to various accounts.

> ***Recommendation:*** *The Town should have an inter-departmental dialogue to determine optimal deadlines for submitting invoices for the warrant and should revisit this deadline at least annually to discuss whether it is working for all of the parties involved. Any changes to this deadline, including temporary changes due to vacations or other absences, should be communicated to all departments. The accounts payable administrator should develop a brief procedural guide to be distributed to each department that details the required information and how it must be submitted. Wherever possible, if a payable is going to be rejected, the accounts payable administrator should be informing the person submitting the payable in time to take corrective action prior to the the deadline. The deadline, and policies connected to it, should be clearly set out in the manual set out in 1.1. See Appendix F for Town of West Boylston Guidelines for Submitting Payables.*

5. Accounting

The following findings and recommendations relate to Accounting issues.

5.1: Significant amount of time on journal entries

Largely as a result of the two financial software systems used by the Town, there is the need for a significant number of journal entries to be entered into MUNIS each month. The large number of manual entries can increase the chance of errors and complicate the process of reconciling cash and receiveables at month or year-end. One of the primary reasons for these manual entries is that when the Treasurer's office inputs tax receipts into MUNIS, automated entries to cash and revenue control are are made in the Finance department's general ledger. However, these entries are only half of the necessary entries to properly record these receipts, triggering the need to make manual journal entries to taxes receivable and deferred revenue.

> **Recommendation:** *A single Finance system, as previously recommended, would reduce the number of manual journal entries required and would allow for more streamlined information sharing between departments. Recognizing that it may take time to implement a single system, a potential interim step could be to reach out to MUNIS to change the programming so that the software makes all four of the necessary entries automatically when input on the Treasurer's side of the office instead of the two it makes now.*

5.2: There is lack of a check/balance in the process between Collector's side of the Treasurer/Collector's office and Accounting

When tax receipts are received in the Collector's office, these receipts are posted into the Vadar collection package at the detailed taxpayer level. Summary reports are run from Vadar and entered into Excel spreadsheets. These reports are then used by the Treasury side of the office to input tax receipts into MUNIS for the Treasurer's turnover to Accounting. Automatic entries are then made to Accounting's general ledger cash and revenue control with month-end jounal entries to receivables and deferred revenue necessary to complete the accounting entries. While there is direct reporting from the Treasurer's side to Accounting, there appears to be no direct reporting between the Collector's side and the Finance department. Typically, reporting from the Collector on amounts collected is checked against the Treasurer's turnover to verify that what was received on the Collection side was deposited safely in the Treasurer's accounts.

Similarly, Accounting should compare turnovers prepared by other departments receiving cash with the Treasurer's cash turnovers to verify the accuracy of receipt postings. Adequate checks and balances require that Accounting receive and review signed, original departmental turnovers from those departments that receive revenue. These departmental turnovers should be compared with and reconciled to the Treasurer's turnover of cash receipts which details those receipts that have been deposited into town bank accounts. Posting to accounting records without this review/reconciliation increases the potential risk of accounting errors or even fraud.

> **Recommendation:** *A single Finance system, as previously recommended, would enable direct postings to the accounting system from the Collector's office which could later be verified by the Finance department based on the Treasurer's turnover of amounts deposited. A single system will also reduce the number of manual journal entries required and would allow for more*

streamlined information sharing between departments. Good internal controls require that there be separation of duties for staff involved directly in collections versus those that make the deposits and post receipts for the Treasurer's side. So if the Treasurer's office entry of tax and excise received on the Collector's side makes all entries in Finance's general ledger, that would eliminate some but not all journal entries. To maintain a system of checks and balances, the Collector's side of the office should prepare a turnover report for both the Treasurer's side and Finance. This will allow Finance to compare what the Collector's side has signed off on as collected to what the Treasurer's office issues regarding cash receipts deposited into the Treasurer's bank accounts.

6. Collections, Receivables, and Commitments

The following findings and recommendations relate to Collections, Receivables, and Commitments issues.

6.1: Funds collected by some departments are not turned over in a timely manner

The project team was informed that checks collected by some departments were not always turned over in a timely manner, although there has apparently been some recent progress made on this issue. This can negatively impact the Treasurer's ability to manage cash flow, and lead to stale or bounced checks. Best practice is that these funds should be turned over to the Treasurer immediately after reaching certain dollars thresshholds, or at least weekly if these thresshholds are not reached.

> *Recommendation: The Town should establish both a dollar threshhold so that significant revenue is turned over in a timely manner, as well as a regular schedule for turning over funds collected that do not meet the dollar amount. See Appendix D for example of Town of Ashby Schedule of Departmental Turnovers Policy.*

6.2: There are delays issuing and posting commitments

The project team heard about instances of delays in the issuance of commitments and the posting of those commitments into the Town's accounting records. When a commitment is not made to the Treasurer/Collector's office, the staff lacks the legal authority necessary to collect these receipts. Therefore, it is essential to proper cash management that commitments are issued as expeditiously as possible. Another issue is that commitments are not posted by the Finance office until month-end journal entries are completed. Commitments are made using the Vadar system, and manual journal entries are necessary to bring them into the MUNIS accounting records. Delays in posting commitments can contribute to reconciliation issues.

> *Recommendation: The Town should explore with town counsel whether the Asssessors can designate a single member of the board to sign commitments or otherwise delegate this task to the Director of Assessing to ensure timely commitments. A single financial software system where commitments are prepared in the same software package as the accounting records will make timely posting of commitments more feasible.*

7. Procurement

The following findings and recommendations relate to Procurement issues. The project team understands that the Town's procurement processes have been improving in the last few years, including the creation of a single repository for contracts and the development of a numbering system for contracts.

7.1: The procurement process does not contain a consistent procedure for verifying availability of funds for the purchase

The procurement process does not contain a formal step for verifying availability of funds for purchase. While this review does appear to be happening despite the lack of a clear process, there is risk in not having a formal step built into it.

> *Recommendation: The Town should clarify resonsibility for managing the procurement process and build in written procedures for verifying availability of funds for the purchase and should establish a system for encumbering funds and issuing payments out of the purchase order. See Appendix G for examples from the Town of Reading and the City of Salem.*

7.2: Procurement process sometimes does not transmit final approval of purchase orders back to the person making the initial request

Departments must wait for contract approval to begin the designated projects or services, and when they are unaware that approval has been granted, those functions are delayed.

> *Recommendation: The Town should review the process to determine cause of the issue.*

7.3: Procurement process has slowed down in recent years

There is a lack of understanding around the procurement process and timelines, which often leads to delays. There is also little communication about deadlines. A large number of signatures required to sign off on each purchase order contributes to the lack of speed through the process. The project team was informed that a draft process document exists, but that it is incomplete and not yet adopted.

> *Recommendation: The Town should complete, adopt, and share a schedule for procurement process steps, including approvals and deadlines. See Appendix G for examples from the Town of Reading and the City of Salem.*

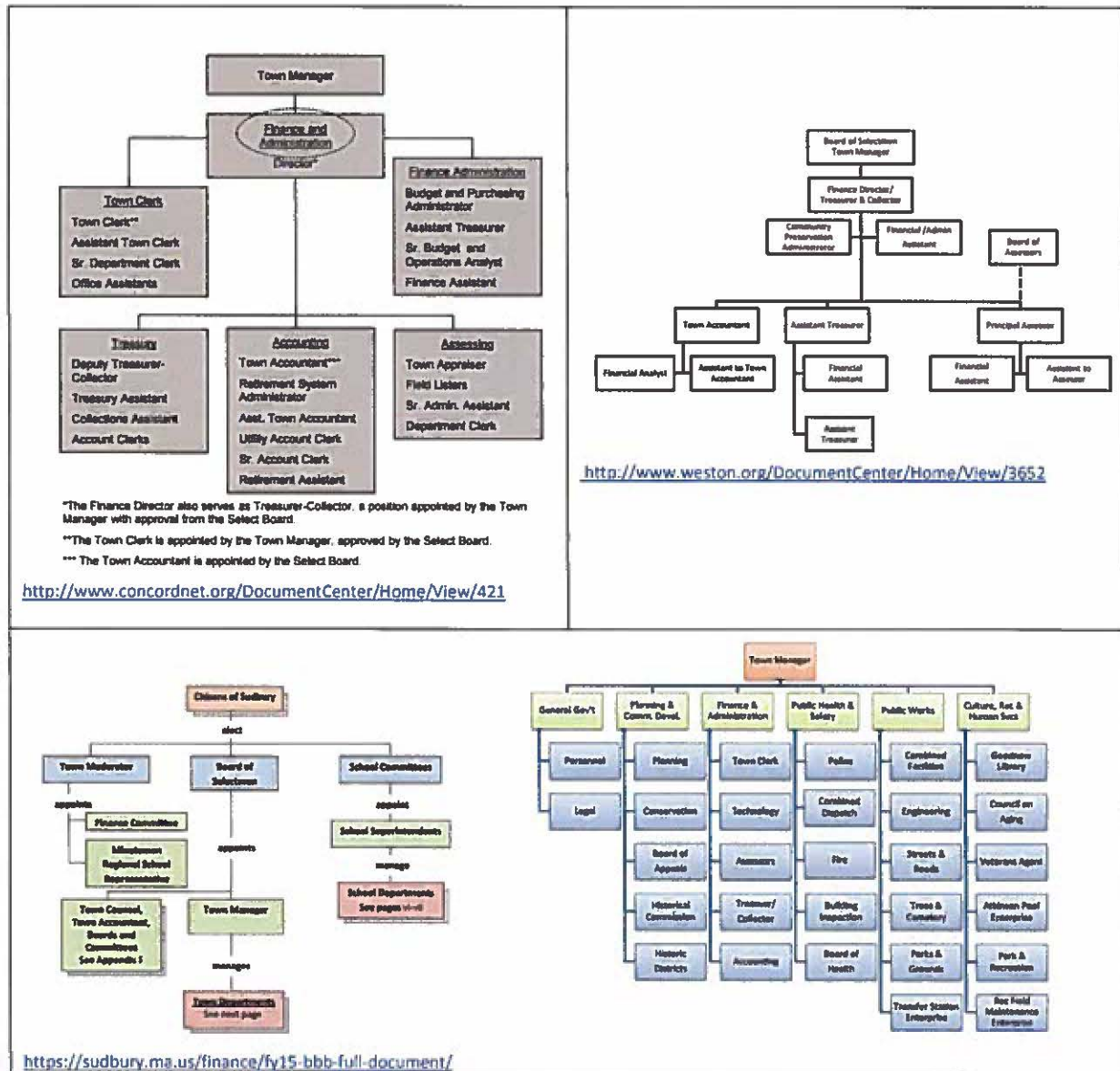**7.4: There is no common repository for contract information**

To review contract information for timelines, extensions, wage rates, etc., staff must spend time trying to locate paper files. There have been steps taken to house these in a centrally located file cabinet, but they are not available to view within MUNIS. Section 3 of Chapter 30B states that a file must be maintained for all contracts over $10,000, and the file must be maintained for at least six years after the final payment for the contract. Under MGL Ch. 41, Section 57, the town accountant shall have custody

of all town contracts. This is to ensure that when payables or payroll warrants are prepared that the accountant can review to make sure that the payments are consistent with the terms of each contract.

Recommendation: The Town should establish a document management system or shared drive for both finance and facilities to have access to current and prior contract information.

APPENDICES

Appendix A: Organizational Charts of Finance Operations of Neighboring Towns

http://www.concordnet.org/DocumentCenter/Home/View/421

http://www.weston.org/DocumentCenter/Home/View/3652

https://sudbury.ma.us/finance/fy15-bbb-full-document/

Appendix B: Wayland Documents Reviewed

Documents Provided in Response to Initial Request

The existing bylaws, general laws accepted, and special acts (often referred to as the "legal base" of the Town):
http://www.ecode360.com/WA1635

The most recent Town budget, annual report, and external audit management letter:
http://www.wayland.ma.us/Pages/WaylandMA_Finance/docs
http://www.wayland.ma.us/Pages/WaylandMA_BComm/Finance/FY17Function.pdf
http://www.wayland.ma.us/Pages/WaylandMA_Selectmen/TownReports/index
http://www.wayland.ma.us/Pages/WaylandMA_Finance/Finstatements

Any recent external reports commissioned by the Town related to finance:
http://www.wayland.ma.us/Pages/WaylandMA_IT/itmasterplan2015.pdf
http://www.wayland.ma.us/Pages/WaylandMA_Selectmen/MaximusReport.pdf

Job descriptions of finance-related positions:
http://www.wayland.ma.us/Pages/WaylandMA_HR/jobs

Written financial policies:
http://www.wayland.ma.us/Pages/WaylandMA_BComm/Finance/DebtManagementPolicy2008.pdf

Additional Documents Reviewed During Project

Review of Budget and Expenditure Reporting, Evaluation of Non-Educational Service Delivery Structure and Review of School Administrative Structure
http://www.wayland.ma.us/Pages/WaylandMA_BComm/Finance/Abrahams1Final.pdf

Appendix C: Wayland Finance Processes Map [draft]
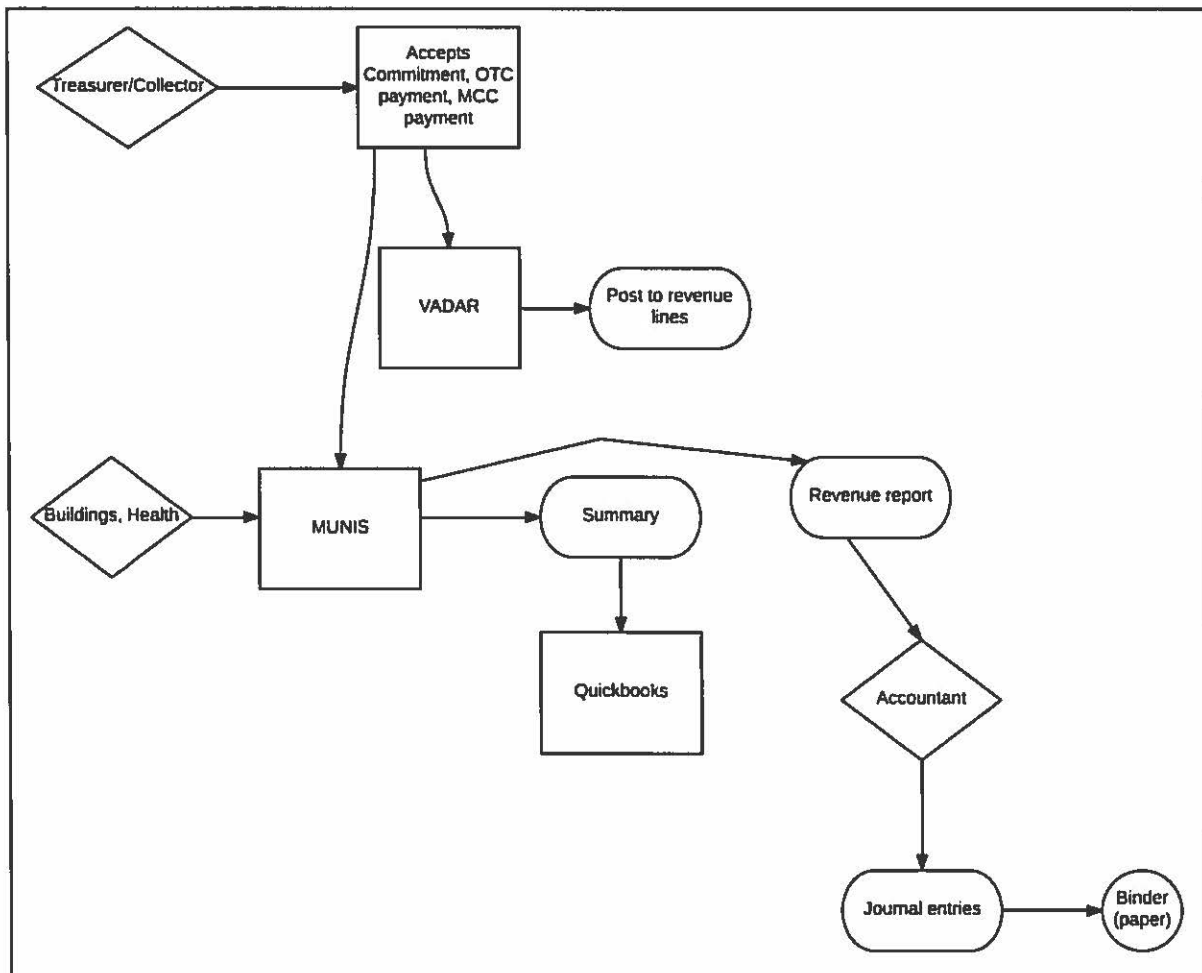
Appendix D: *Town of Ashby Schedule of Departmental Turnovers Policy*

Schedule of Departmental Turnovers

When a department has collections in cash, coin, and/or checks that total $500.00 or more a timely turnover must be made to the Town Treasurer. If a department has on hand collections less than $500.00, the monies are to be turned over to the Treasurer at a minimum of once a week. Departmental collections that are not turned over on a daily basis are to be held in a location that is secure from potential fire and theft. All checks received and not turned over to the Treasurer immediately should be stamped "for deposit only" before securing them pending turnover.

The Treasurer shall count the receipts and initial a copy of the turnover to be retained by the Department. The other copy of the turnover sheet together with the receipts shall be posted in the computer system. The Turnover sheets shall identify the account(s) to be credited, a narrative description of the receipts and the name of the department submitting the receipts.

Departments shall establish procedures to safe guard the collection and remittance of receipts. The person collecting the receipts shall remit the money together with the receipt documents to another individual in the department who shall verify the money count and compare to receipt totals. Discrepancies shall be resolved at the time of remittance. The receipts shall be logged into a journal on a daily basis. The amounts received shall be submitted to the Treasurer's office not less than weekly.

The Town Accountant shall periodically, but not less than once per year, perform site visits to the departments to audit the receipts process as required by state statutes. Reports of such audits shall be made in writing and submitted to the Town Administrator along with recommendations for improving receipt procedures.

The *Schedule of Departmental Payments to Treasurer* form to be used is a two-part form requiring the top page to be submitted with the funds received to the Treasurer and the second page directly to the Town Accountant. This is an example of an accounting control that ensures that more than two parties are accounting for the monies received.

The form should contain the name of the department, the turnover number, turnover date, name and number of applicable general ledger revenue account, list of monies collected by the department and total amount turned over to the Treasurer. The department head or responsible departmental staff person must sign this form. The following is a sample of how the *Schedule of Departmental Payments to Treasurer* form should be filled out.

The department should make and retain a copy of this form to be kept with the receipts log. The Treasurer acknowledges the receipt of the money and a copy is returned to the department that should be attached to the departmental copy of the *Schedule of Departmental Payments to Treasurer*.

Appendix E: Sample Internal Control Vendor Master File Policy and *City of Clarksville, TN Internal Audit Report Criteria for Good Vendor File Maintenance Practices*

Sample Internal Control Vendor Master File Policy

The Town will obtain a complete W-9 from all vendors in keeping with the Department of the Treasury Internal Revenue Service requirements.

No vendor should be paid until a complete W-9 is received and approved by the [*select appropriate position*].

The Town will not accept a W-9 with only a PO Box mailing address.

All new vendors are to be approved in writing by the [*select appropriate position*] prior to being added to the Vendor Master File. [*Select appropriate position*] will respond to new vendor requests from department heads within [*select appropriate #*] business days, either by adding the new vendor to the system or by explaining in writing the reason for rejecting the request.

All vendors that are paid more than $[*select appropriate #*] per year must receive a properly completed 1099 at the end of each year.

1099 vendors are to be flagged in the system in order to ensure that year-end reporting is accurate.

Periodic compliance screening and Tax Identification Number matching should take place on a [*select appropriate timeframe*] basis to ensure that there are not issues such as duplicate entries, multiple vendor codes for the same vendor, incomplete information, or unauthorized vendors.

The [*select appropriate position*] is to receive quarterly reports of Vendor Master File activity – including vendor additions, deletions, and record changes.

The Vendor Master File must be reviewed and updated annually. Inactive (no activity in previous [*select appropriate timeframe*]) vendors must be removed annually. The review process is to be completed during the [*select appropriate time*] quarter of each fiscal year.

City of Clarksville, TN Internal Audit Report Criteria for Good Vendor File Maintenance Practices:
1. Establish written procedures for every aspect of vendor file maintenance
2. Restrict access to process owners
3. Establish proper segregation of duties for file maintenance
4. Establish responsibility for changing vendor information
5. Establish and enforce a policy for data entry formats
6. Eliminate all duplicate vendors
7. Purge all terminated employees
8. Purge or inactivate vendors that have had no activity for 24 months
9. Audit changes to master vendor file
(*http://www.cityofclarksville.com/modules/showdocument.aspx?documentid=626*)

Appendix F: *Town of West Boylston Guidelines for Submitting Payables*
(Source: http://www.westboylston-ma.gov/accountant/pages/accounts-payable)

Submission Date
Invoices to be paid on a Payables Warrant are due at 3:00PM on the Wednesday prior to the Monday Warrant date. Invoices received by Accounting after this time will be paid on the following Payables Warrant. On weeks with holidays, payables are still due by 3:00PM on Wednesday. There is no time extension.

Vendor Invoice
Invoices must accompany any statements submitted for payment. Vendor statements alone are not acceptable for processing payment.

Vendor W-9 Forms
If you are paying a new vendor, you must supply us with their Tax ID number. **New vendors will not be paid unless a W-9 is supplied.** Invoices will be returned to your department until a completed form is received. A copy of the W-9 is available on our Forms page.

Item Description
The invoice must state the items(s) being purchased. If only an item number is printed on the invoice, please write a brief description of what was purchased.

Signatures
Each voucher must have an original signature(s) of the department head, or a majority of the Committee, Commission or Board. **Vouchers with insufficient signatures will be returned.**

Account Numbers
All invoices submitted for payment must include the complete account number to be paid from. **Invoices without account numbers will be returned.**

Invoice Total
If you are submitting multiple invoices to be paid to the same vendor, please attach an adding machine tape listing each invoice to proof the total.

Copies
A copy of the bill is not required if the invoice being paid has an invoice number assigned by the vendor, as we will print this number on the check stub. If an invoice number is not assigned by the vendor you must supply us with a copy of the bill so that we may include it with the payment. Invoices with remittance portions (i.e. Mass Electric, Quill, Cingular, Verizon) should be submitted with the remittance portion separated and the payment amount completed by the department.

Reimbursements
Requests for reimbursements must be accompanied by original receipts. If the receipts are small, please attach them to a standard size piece of paper so they will not get lost or misplaced. **We cannot reimburse tax paid for any reason.** The Town is tax-exempt. Please supply a copy of the Tax Exemption Certificate to vendors when making purchases for the Town.

Fixed Asset Inventory Control Form

Must be completed and submitted with the invoice for any item with a purchase price of $1,000 or more.

Quotes

Any purchase of goods or services from $10,000 to $34,999.99 must be accompanied by three quotes or bids.

Fiscal Year

Only bills for the current fiscal year may be submitted for payment. Bills of a prior year can only be approved for payment at a Town Meeting.

Appendix G: *Example Procurement Policies*

Town of Reading, MA Procurement Policies

4.1.7 Encumbering Funds
When a contract price total is available upon the award of an IFB or RFP contract, a purchase order requisition will be entered by the Department to encumber all funds upfront. Upon approval by the Chief Procurement Officer, the purchase order number should be provided to the vendor and written on page 1 of the contract to be referenced on invoices they submit to the Town for payment. Contracts must be done in triplicate as one fully executed original goes to the vendor, one to the CPO, and one to the Finance Department. The department should also retain a copy of the contract, preferably in electronic form.

6.2 Appropriation of Funds
The department head will provide the Procurement Office with a Munis Organization/Object number that will be utilized for the appropriation of funds for the products and/or services. The Town Accountant then confirms the availability of funds for the contract. No contract in excess of appropriated funds will be allowed.

7.0 MUNIS Purchasing Procedure
An online Munis requisition should be entered by Town department representatives for all purchases.

7.1 Munis Documentation of Quotes: The department head or designated support staff will complete a requisition in Munis, the accounting software. The requisition should have documentation of Sound Business Practice, or the details of the solicitation of quotes, bids or proposals as specified depending on the various types of procurement (See section:4.1.1-4.3.2).

7.2 Munis Appropriation of Funds for the Procurement: The department head is accountable for the complete appropriation of funds at the time of requisition entry and the availability of funds accordingly. No payment or contract will be awarded in excess of any appropriation without a written addendum from a manager/department head where additional funds will be appropriated. Electronic requisitions when released by the officer or department head follow through a series of on- line approval levels for review including the department head, the Finance Department and the Town Manager.

City of Salem, MA Procurement Manual: Policies and Procedures

PART III. AWARDING AND EXECUTING CONTRACTS
1. The Department must ensure that funds are properly appropriated before a contract is executed.
2. Once the Vendor/Contractor (lowest responsive and responsible bidder, most advantageous proposer, lowest quote etc...) has been identified the Purchasing Agent shall draft the contract. The contract number shall coincide with the applicable Bid or Proposal, or if no Bids or Proposals were solicited, the contract shall be the number of the Purchase Order created by the Department to pay the vendor. If the Vendor/Contractor is supplying the contract, the Department shall arrange for the vendor to email the contract to the Purchasing Agent in Microsoft Word so that it may be adapted to the City format.
3. The contract will then be turned over to the City Solicitor for review of its form. The City Solicitor will return the four (4) copies of the contract to the Purchasing Agent.

4. The Purchasing Agent will prepare a 'Notice of Intent to Award' and send it along with the four (4) copies of the contract to the chosen Vendor/Contractor.

5. When the contracts are returned to the Purchasing Agent, along with any applicable Certificates or Bonds required, the Purchasing Agent will then route the contract for the remaining City officials to sign.

6. One copy of the fully executed contract shall be returned to the Vendor/Contractor along with a 'Notice to Proceed.' One copy shall remain on file with the Office of the Purchasing Agent, one copy will be provided to the Department and one copy will be placed on file at the Office of the City Clerk.

7. Once the contract has been executed, the Department shall enter a requisition for a purchase order in the Contract amount, prior to the selected vendor beginning work (unless a Requisition was already entered as part of step 2).

8. The Department is responsible for monitoring the progress of the contract.

9. Any amendments, change orders, or extensions must be initiated by the Department and approved by the Purchasing Agent (as discussed in Part V).

10. The Purchasing Department shall maintain a record of current contracts and notify the Department when the Contract is set to expire.