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# Franklin Regional Council of Governments

## Municipal Accounting Program

**Regionalization Tool Kit Conference**  
**September 3, 2009**

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# FRCOG History

- Formerly the Franklin County Commission.
- Governor Weld intent on eliminating county government.
- 1997 Franklin County voluntarily abolished itself.
  - Special legislation established FRCOG
  - Charter to establish FRCOG adopted by all 26 towns
  - Jail, Registry of Deeds and all real property transferred to state
- *Now FRCOG is a voluntary membership organization to deliver regional services*



# FRCOG Region


- Franklin County most rural county in Massachusetts.
- 72,000 people, 725 square miles, 26 towns.
- Greenfield – 18,000 residents.
- Monroe – 93 residents.
- 23 of 26 towns have population under 5,000; 18 under 2,000.
- Only two towns with professional planners; 3 with full-time building inspectors; 2 with full-time health agents; and 0 with full-time Emergency Management Directors.



# FRCOG Town Accounting Program

The Town Accounting Program is a fee-for-service program initiated by the FRCOG in 2005 to respond to the needs of Franklin County communities for professional accounting services.

- Program began with 4 towns and 2 part-time accountants.
  - In FY2010 we serve 11 towns with 4 staff.

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- FRCOG staff provide all accounting services from warrant preparation, to Free Cash submission, Schedule A preparation and tax recap preparation.
  - Each Town appoints a FRCOG staff member as its Town Accountant.
  - The FRCOG is the host agency that administers the program. Towns participate through a contract agreement.



# Host Agency Administrative Support:

- Financial Management, including providing an annual audit, payroll, health insurance and bill processing.
- Procurement policies and services
- Legal counsel




# Host Agency Support, cont'd.

- Personnel policies and workplace practices, including hiring procedures and benefits administration
- Staff supervision to Program Director
- Liability insurance
- Provision of office space



# Shared Software

- Original member towns were using B & H accounting software which was a DOS-based system that was no longer supported.
- FRCOG contracted with Data National to provide *Fundware* software to the participating towns.
- Software license agreement allows Towns with populations less than 2,000 to use FRCOG software.

- 
- Software is stored on the server at FRCOG offices in Greenfield and accessed remotely.
  - Remote access allows program staff to work from multiple locations, increasing efficiency.
  - Data is fully secure, backed up daily, and available 24/7.
  - Sunderland (population 3,800) owns its own *Fundware* license – stored on its computer.
    - Accountant can still dial in for 24/7 access.
    - Backups done at town level.

# Program Budget & Assessments

- Participating towns share the program costs of staff salaries, benefits, operating expenses and overhead.
- Towns are assessed the entire program budget through a formula based on anticipated hourly needs per week per Town, averaged over the fiscal year.
  - i.e. some towns need 10 hours per week, some less, based on size of warrants, enterprise funds, etc.
  - Staff track actual time and hourly needs per town are adjusted if necessary.

**Franklin Regional Council of Governments**  
**Budget for the Period of:**  
**July 1, 2009 to June 30, 2010**

**TOWN ACCOUNTING SERVICES**

**Budget 01-009** **FY 2010**

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**PERSONNEL:**

Staff wages	119,104	
Fringe & Taxes	26,743	
<b>TOTAL PERSONNEL:</b>	<b>145,847</b>	

**OPERATING:**

Communications	1,500	
Staff Development	1,500	
Software/Network Fees	10,500	
Travel	7,000	
Support	3,000	
Postage	50	
Supplies	250	
Dues	50	
Administration	15,920	
<b>OPERATING EXPENSES</b>	<b>39,770</b>	

**GRAND SUMMARY**

<b>Salaries/Wages</b>		145,847
<b>Operating Expenses</b>	39,770	
<b>GRAND TOTAL</b>	<b>185,617</b>	

<b>FY2010 Budget Allocation</b>	<b>Average Weekly Hours</b>	<b>Percentage of Total Hours</b>	<b>Assessment based on Percentage of Services Used</b>
Ashfield	8	10%	\$ 16,677.84
Bernardston	8	10%	\$ 16,677.84
Buckland	7	8%	\$ 14,593.11
Charlemont	6	7%	\$ 12,508.38
Gill	8	10%	\$ 16,677.84
New Salem	7	8%	\$ 14,593.11
Shelburne	6	7%	\$ 12,508.38
Sunderland	11	13%	\$ 22,932.02
Wendell	7	8%	\$ 14,593.11
Whately	6	7%	\$ 12,508.38
Williamsburg	<u>10</u>	<u>12%</u>	<u>\$ 20,847.29</u>
Totals	84	100%	\$ 175,117.27

Note: Software yearly maintenance fees totaling \$10,500 are also assessed, bringing the total program budget to \$185,617



# Costs to Towns

- Annual assessment to participate
  - Accounting Services
  - Software maintenance
- One-time data conversion to shared software
- Town employees may have reduced “face time” access to accountant for questions and information



# Benefits to Towns

- Professional, qualified, trained staff
  - Staff attend the annual accounting school held at UMASS - Amherst
  - Mentoring new staff on specifics of municipal accounting, GASB, UMAS, partnering with DOR DLS
- Back-up staff available if primary accountant is sick or otherwise unable to provide services
- Access to software through shared license at reduced cost



# Benefits, continued

- Reduced human resource department costs
  - No need to go through hiring process
  - No need to maintain employee paperwork
  - No retirement issues
- Peace of Mind – Local officials know town accounting is being completed efficiently and effectively in adherence to Mass. General Laws



# Future of the FRCOG Program

- The program continues to grow. We are currently serving 11 communities with 2 full-time accountants and 2 part-time accountants.
- New towns can be added after consideration of staff availability and scheduling. Currently at capacity with existing staffing level.



# Recommendations for Sharing Accounting Services

## ■ Find efficiencies

- One set of policies, procedures and chart of accounts
- All municipalities use same software
- Adjust warrant preparation days if necessary

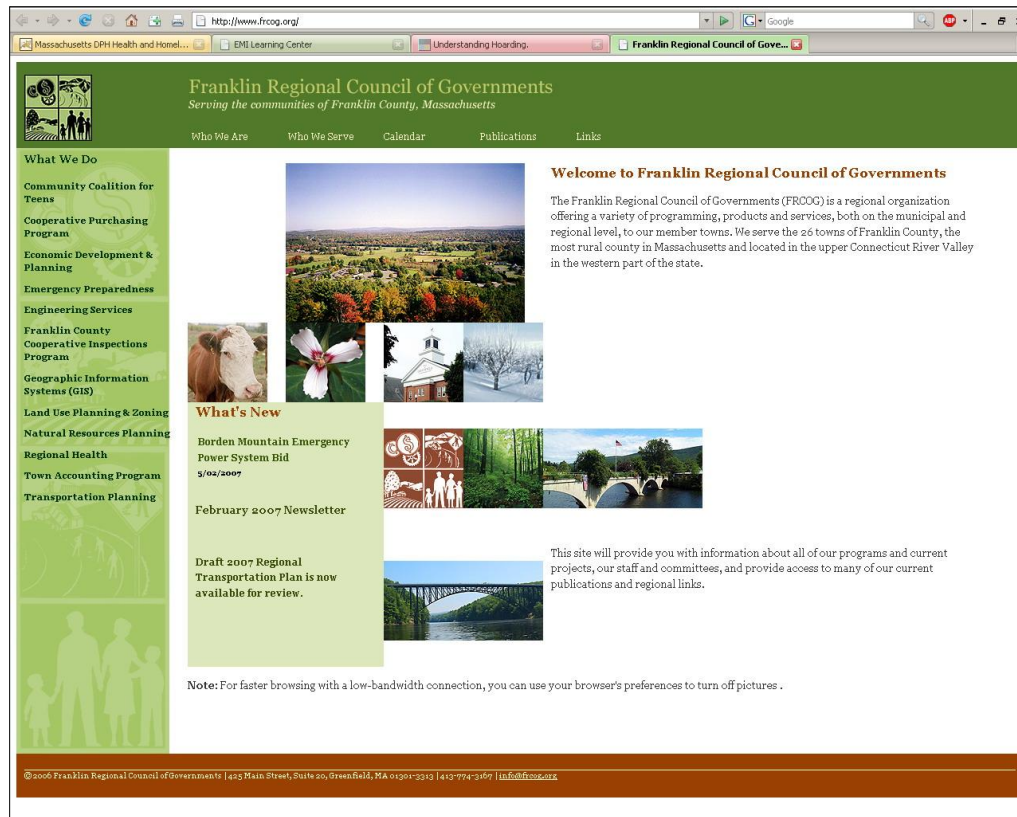
## ■ Take advantage of position vacancy to create shared service

- Easier to start program and find cost savings if no current employee needs to be let go.

## ■ Provide on-going support to ensure success

- Transition can be hard and it takes time to accomplish

# For more information, visit our website at [www.frcog.org](http://www.frcog.org)



The screenshot shows a web browser window displaying the Franklin Regional Council of Governments website. The browser's address bar shows the URL <http://www.frcog.org/>. The website has a green header with the organization's name and tagline, "Serving the communities of Franklin County, Massachusetts". Below the header is a navigation menu with links for "Who We Are", "Who We Serve", "Calendar", "Publications", and "Links".

The main content area is divided into several sections:

- What We Do:** A vertical list of services including Community Coalition for Teens, Cooperative Purchasing Program, Economic Development & Planning, Emergency Preparedness, Engineering Services, Franklin County Cooperative Inspections Program, Geographic Information Systems (GIS), Land Use Planning & Zoning, Natural Resources Planning, Regional Health, Town Accounting Program, and Transportation Planning.
- Welcome to Franklin Regional Council of Governments:** A section with a large landscape photo and text describing the organization's role in serving 26 towns in Franklin County.
- What's New:** A section featuring a cow, a flower, and a church, with text about a "Borden Mountain Emergency Power System Bid" dated 5/02/2007 and a "February 2007 Newsletter".
- Draft 2007 Regional Transportation Plan:** A section with a photo of a bridge and text stating the plan is available for review.

A note at the bottom of the page reads: "Note: For faster browsing with a low-bandwidth connection, you can use your browser's preferences to turn off pictures."

The footer contains the copyright information: "© 2006 Franklin Regional Council of Governments | 425 Main Street, Suite 20, Greenfield, MA 01301-9312 | 419-774-3697 | [info@frcog.org](mailto:info@frcog.org)"

# FRANKLIN REGIONAL COUNCIL OF GOVERNMENTS

425 Main Street, Suite 40, Greenfield, MA 01301-3313  
Telephone 413-774-3167 • Fax 413-774-3169 • www.frcog.org  
Executive Director • Linda Dunlavy



**FISCAL YEAR 2010  
PROFESSIONAL SERVICES AGREEMENT BY AND  
BETWEEN THE FRANKLIN REGIONAL COUNCIL OF GOVERNMENTS  
AND  
THE TOWN OF \_\_\_\_\_**

This Agreement is made this \_\_\_\_ day of \_\_\_\_\_, 2009, by and between the Franklin Regional Council of Governments or its successors or agents, hereinafter referred to as the FRCOG; and the **Town of \_\_\_\_\_**, acting by and through its Board of Selectmen, hereinafter referred to as the Town.

WITNESSETH THAT:

WHEREAS the Town has determined there is a need to obtain accounting services within the town; and

WHEREAS the Town has appropriated funds to procure contracted Accounting services under the direction of the Board of Selectmen; and

WHEREAS the FRCOG through its Municipal Accounting Program is willing to provide Accounting Services to the Town;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

## **I. TERM OF AGREEMENT**

The FRCOG and the Town agree that the FRCOG, acting by and through the Municipal Accounting Program, for the purpose of providing Accounting Services to the Town, will provide all agreed upon services for the Town in a professional and timely manner during the period **July 1, 2009 through June 30, 2010**. The parties may agree to amend this Agreement by extending the term thereof. Any such amendment shall be in writing, executed by duly authorized representatives of each party and shall otherwise comply with the requirements of Section VI of this Agreement.

## **II. SERVICES PROVIDED BY THE FRCOG**

The FRCOG will provide in a professional and timely manner the following services to the Town under the direction of the Municipal Accounting Program:

- Prepare warrant and examine bills for legality;
- Maintain detailed accounting records, assuring that accounting practices conform with the established policies and procedures and meets town, state, and federal requirements;
- Prepare year-end Schedule A report\*;
- Prepare Combined Balance Sheet and other financial records for DOR Free Cash certification\*;
- Conduct monthly reconciliation of cash with Treasurer;
- Conduct quarterly reconciliation with Collectors;
- Conduct mandatory annual reconciliation with Collectors\*;
- Submit monthly Reports to Departments comparing budgets to actual expenditures;
- Entry of budget from town meeting votes and budget amendments into accounting system;
- Year End closing to include Balance Sheet, Income Statement, preparation of Town's Annual Report\*;
- In collaboration with Town Assessors, Town Clerk and other town employees as mandated, preparation of ReCap\*;
- Prepare for town's next financial audit.
- Work to provide customized reports to Department Heads;
- Oversee conversion of accounting module to town-purchased Fundware;
- Meet with town officials and department heads as needed.

\* See last clause of Section IV. Compensation.

## **III. RESPONSIBILITIES OF THE TOWN**

The Town agrees to provide the following services to the Accountant to ensure that the FRCOG provides quality, efficient delivery of service.

- Adequate IT technical support and maintenance contract to ensure proper functioning of computer hardware and Fundware software;
- Established and guarantee of regular file back up process;
- Accounting records, ledgers and other material up to date and in good order;
- Cooperative and timely response by Town employees and officials to requests made and tasks assigned by the Accountant necessary to complete his/her work;
- Adequate phone and Internet broadband *or DSL* access;
- Computer and laser printer of sufficient speed and quality to adequately run software and print reports;
- Sufficient office space and equipment to conduct operations efficiently and to store warrants and records;
- Other responsibilities required for the accountant to efficiently perform his/her duties.

The Parties reserve the right to request additional time, costs or reimbursement, if the responsibilities or services of the other party differ materially from those set forth in section II or III herein.

#### IV. COMPENSATION

For services rendered under this agreement the FRCOG will receive compensation as determined by an assessment formula approved by the FRCOG and participating towns. **For fiscal year 2010, the assessment will be \$\_\_\_\_\_, which is based on the assumption that the Town of \_\_\_\_\_ will receive on average six (6) hours of service per week beginning on July 1, 2009.**

Re-evaluation of the assessment formula will be conducted annually and notification of compensation costs for the next fiscal year will be provided to the Town no later than March 15.

The FRCOG shall bill quarterly.

The FRCOG and the Town acknowledge that the FRCOG, acting by and through the Municipal Accountant, may be requested to provide additional services not covered under this Agreement for which additional compensation will be agreed to by the parties as an amendment to this Agreement in accordance with Section VII.

If the parties do not agree to amend the term of this Agreement to include the next fiscal year, the Town agrees to pay the additional cost needed to close the financial books of the current fiscal year as asterisked in Section II above, which can only occur after the end of this contract term. The FRCOG agrees to make every effort to complete that work in a timely and efficient manner in accordance with timelines set forth in Commonwealth of Massachusetts regulations.

The compensation provided by this Agreement is subject to the availability and appropriation of funds.

#### V. INDEMNIFICATION AND INSURANCE

The FRCOG shall have in full force during the term of this contract insurance as provided below.

##### General Liability

Bodily Injury Liability:	\$1,000,000 per occurrence
Property Damage Liability	\$ 500,000 per occurrence
(Or combined single limit)	\$1,000,000 per occurrence

##### Automobile Liability

Bodily Injury Liability:	\$1,000,000 per occurrence
Property Damage Liability	\$ 500,000 per occurrence
(Or combined single limit)	\$1,000,000 per occurrence

##### Workers' Compensation Insurance

Coverage for all employees in accordance with Massachusetts General Laws

Professional Liability Insurance

Minimum Coverage \$1,000,000 per occurrence

Prior to commencement of any work under this Agreement, the FRCOG shall provide the Town with Certificates of Insurance.

The Town shall have in full force during the term of this contract insurance as provided below.

General Liability

Bodily Injury Liability: \$1,000,000 per occurrence  
Property Damage Liability \$ 500,000 per occurrence  
(Or combined single limit) \$1,000,000 per occurrence

Automobile Liability

Bodily Injury Liability: \$1,000,000 per occurrence  
Property Damage Liability \$ 500,000 per occurrence  
(Or combined single limit) \$1,000,000 per occurrence

Workers' Compensation Insurance

Coverage for all employees in accordance with Massachusetts General Laws

The parties shall provide and maintain throughout the term of this Agreement all insurance for its employees, including health, workers' compensation, and other insurances in compliance with the statutory requirements of the Commonwealth of Massachusetts. Further, the FRCOG shall be solely responsible for all taxes or contributions imposed or required under the Social Security, Workers' Compensation, and income tax laws for the accountant.

**VI. WAIVERS**

All covenants, conditions, duties and obligations contained herein can be waived only by written agreement by and between the Town and the FRCOG. Such waivers shall not be effective, unless they are in conformity with all other requirements of law. Forbearance or indulgence in any form or manner by either party shall not be construed as a waiver, nor in any way limit the legal or equitable remedies available to either party. No waiver of any default or breach shall constitute a waiver of any subsequent default or breach.

**VII. AMENDMENTS**

No amendment to this Agreement shall be effective unless it is in writing, signed by the duly authorized representatives of both parties, and complies with the provisions of this Agreement, and all other regulations and requirements of law.

**VIII. FORCE MAJEURE**

In the event that either party is unable to perform any of its obligations under this Agreement or to enjoy any of its benefits because of natural disaster, Acts of God, war, fire, flood, epidemic, quarantine restrictions, strikes, unforeseen freight embargoes or unusually severe weather, not the fault of the affected party (hereinafter referred to as a "force majeure event"), the party who has been so affected immediately shall give notice to the other party of its disability and shall do everything possible to resume performance. Upon receipt of such notice, performance under this Agreement shall immediately be suspended. Delays in delivery due to force majeure events shall automatically extend the delivery date for a period equal to the duration of such events; any warranty period affected by a force majeure event shall likewise be extended for a period equal to the duration of such event.

#### **IX. ASSIGNABILITY**

The parties shall not assign any interest in this Agreement, and shall not transfer any interest in the same, without prior written consent of the Town. No subcontract may be awarded by either party, the purpose of which is to fulfill in whole or in part the services required herein, without said written consent of the other.

#### **X. TERMINATION**

This agreement may be terminated by either party for any reason upon ninety (90) days written notice from the date received by either party, sent by certified mail, return receipt requested. Such notice shall be signed by authorized officials of the parties. If the Town terminates, the FRCOG is relieved of any and all responsibilities to the Town which would be performed after the scheduled termination date.

#### **XI. CONFLICT OF INTEREST**

No officer, employee, agent, or member of the governing bodies of the FRCOG and Town shall participate in any decision or service relating to this Agreement that affects the personal interest of such officer, employee, agent, or member of the governing bodies, whether such interest is direct or indirect. The FRCOG and the Town shall take all reasonable actions necessary to ensure that their officers, employees, agents, and members of their governing bodies are aware of the requirements, and comply with the provisions of Massachusetts General Laws, Chapter 268A, the so-called Conflict of Interest Law.

#### **XII. SEVERABILITY**

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect, so long as the agreement continues to reflect the intention of the parties.

#### **XIII. APPLICABLE LAW**

The Parties agree to comply with all applicable local, state and federal laws, regulations and orders relating to the completion of this Agreement. This Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Massachusetts.

**CERTIFICATION AS TO PAYMENT OF STATE TAXES**

Pursuant to Chapter 62C of the Massachusetts General Laws, Section 49A(b), I, \_\_\_\_\_, authorized signatory for the FRCOG do hereby certify under the pains and penalties of perjury that said FRCOG has complied with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

\_\_\_\_\_  
Social Security Number or  
Federal Identification Number

\_\_\_\_\_  
Signature of Individual or  
Corporate Name

By:  
Corporate Officer  
(if applicable)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

FRANKLIN REGIONAL COUNCIL OF GOVERNMENTS

\_\_\_\_\_  
Linda Dunlavy, Executive Director

\_\_\_\_\_  
Date

TOWN OF \_\_\_\_\_ BOARD OF SELECTMEN

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Vice Chair

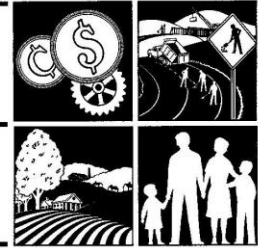
\_\_\_\_\_  
Member

Approved as to legal form:

\_\_\_\_\_  
Town Counsel

# FRANKLIN REGIONAL COUNCIL OF GOVERNMENTS

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Telephone 413-774-3167 • Fax 413-774-3169 • www.frcog.org  
Executive Director • Linda Dunlavy



## MEMORANDUM OF AGREEMENT By and Between The Franklin Regional Council of Governments and The Town of \_\_\_\_\_

THIS AGREEMENT, is entered into on this \_\_\_\_\_ day of \_\_\_\_\_ 2009 by and between the Franklin Regional Council of Governments, (hereinafter the FRCOG) having its principal place of business at 425 Main Street, Suite 20, Greenfield, Massachusetts, 01301; and the Town of \_\_\_\_\_ (hereinafter the TOWN) having its principal place of business at \_\_\_\_\_.

WHEREAS, the FRCOG and the TOWN have an existing Agreement dated \_\_\_\_\_ for the FRCOG to provide municipal accounting services to the TOWN through the FRCOG's Town Accounting Program; and

WHEREAS, the FRCOG has purchased a Master License for Fundware® accounting software for use in its Town Accounting Program; and

WHEREAS, the TOWN wishes to use the FRCOG's Fundware® for its municipal accounting system; and

WHEREAS, the FRCOG is interested in providing its Fundware® to the TOWN for the TOWN's municipal accounting use;

NOW THEREFORE, the parties hereto do agree as follows:

### RESPONSIBILITIES OF THE FRCOG:

1. The FRCOG will provide the TOWN with access to the Fundware® municipal general ledger and accounts payable software modules.
2. The FRCOG will be responsible for the installation of Fundware® and conversion of the TOWN's accounting system to Fundware®.
3. The FRCOG will be responsible for regular backups of the TOWN's Fundware® accounting system as appropriate.

**RESPONSIBILITIES OF THE TOWN:**

1. The TOWN will pay a one-time fee for the cost of installation of Fundware® general ledger and accounts payable software modules and for the conversion of the TOWN's accounting system to the new Fundware® system. The cost of installation and conversion of accounting records is estimated to be approximately \$3,000, but will be based on actual costs. The Town will pay the data conversion fee directly to Data National, the Fundware vendor.
2. The TOWN will pay an annual fee (FY10 fee is \$1,000) to the FRCOG for the use and maintenance of the Fundware® general ledger and accounts payable software modules.

**SUCCESSORS AND ASSIGNS:** This Agreement shall not be transferable to successors and assigns by either of the parties hereto without written approval of the other party.

**TERMS OF AGREEMENT:** This Agreement may be terminated in writing at any time by either party. Otherwise it shall remain in effect for a period of one year from the date first appearing on this Agreement, and shall be subject to automatic annual renewal unless terminated in writing by either party.

**AMENDMENT OF AGREEMENT:** This Agreement may only be amended by written document signed by the parties.

**TERMINATION OF AGREEMENT:** This Agreement may be terminated by mutual agreement in writing by the parties.

**ENTIRE AGREEMENT:** This Agreement represents the entire understanding of the parties and no party is relying upon any representation not contained herein.

**SEVERABILITY:** In the event that any provision of this Agreement shall be deemed invalid, unreasonable or unenforceable by any court of competent jurisdiction, such provision shall be stricken from the Agreement or modified so as to render it reasonable, and the remaining provisions of this Agreement, or the modified provision as provided above, shall continue in full force and effect and be binding upon the parties so long as such remaining or modified provisions reflect the intent of the parties as of the date of this Agreement.

**IN WITNESS THEREOF,** the FRCOG and the TOWN have executed this Agreement as of the date above written.

FRANKLIN REGIONAL COUNCIL OF GOVERNMENTS

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Date

TOWN OF \_\_\_\_\_ BOARD OF SELECTMEN

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Vice Chair

\_\_\_\_\_  
Clerk

Approved as to legal form:

\_\_\_\_\_  
Town Counsel

# Franklin Regional Council of Governments

Budget for the Period of:

July 1, 2009 to June 30, 2010

## Town Accounting Services

**Budget 01-009** **FY 2010**

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