

**City of Salem, Massachusetts,  
Finance Department Fiscal Policy  
No. 2008-11**

**SUBJECT: Appropriations from Retirement Stabilization Fund**

**Effective Date: July 1, 2008**

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**POLICY**

**The Finance Department will only process appropriations from the Retirement Stabilization Fund in accordance to MGL, City ordinance and City Policies.**

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**PROCEDURES**

**The City will process appropriations from the City's Retirement Stabilization Fund as follows:**

1. Personnel Action Form (PAF) to be filled out by Department Head (for City) or School Business Manager (for School) identifying the daily rate for employee as well as the number of sick days and vacation days eligible for the retiree. This form is to be signed by both the Department Head/School Business Manager and employee.
2. PAF is forwarded to Human Resources (for City) and Superintendent (for School) for sign off to ensure the days accrued are in accordance with collective bargaining units, individual contracts, and/or policies of the City or School.
3. PAF is forwarded to City's Finance Director for verification of available funds in the Retirement Stabilization Fund.
4. Finance will prepare a council order to the Mayor for appropriation from the Retirement Stabilization Fund. A copy of the council order will be forwarded to the Department Head and Human Resource Department for City employees and School Business Manager, Superintendent, and Human Resources for School Department employees.
5. Mayor's office will submit council order to the City Clerk for inclusion in City Council's agenda at the next City Council meeting.
6. City Council will appropriate the funds in accordance with MGL 40/5B. The appropriation requires a 2/3 vote of the City Council.
7. Funds will be distributed directly from the Retirement Stabilization Fund to the employee as part as the payroll warrant following the appropriation by City Council. This payout will be subject to all taxes that are otherwise withheld as part of the payroll process.

  
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Finance Director

  
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Date

  
\_\_\_\_\_  
School Business Manager

  
\_\_\_\_\_  
Date