

**CITY OF SALEM, MASSACHUSETTS  
FINANCE DEPARTMENT FISCAL POLICY**

**N0. 2008-013**

**SUBJECT: DRAWDOWN OF REVENUE FOR SPECIAL REVENUE FUNDS**

**EFFECTIVE DATE: September 20, 2008 – Revised 6-10-2009**

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**POLICY**


It is the policy of the City of Salem that ALL special revenue funds that require drawdown of funds, have the draw down requests submitted to the funding agency within 30 days of the invoice payment. This policy is to ensure there is sufficient cash flow for the city in order to meet payroll and accounts payable obligations and to avoid any short term borrowing which costs the City additional money.

Massachusetts Department of Education funds should be drawn down 10 times a year on a monthly basis (September through June) in accordance with Mass DOE policies and procedures.

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**PROCEDURES FOR DEPARTMENTS**

1. When any invoice payment is made for a special revenue fund that require funds to be drawn down from a Federal, State or local agency, a request for reimbursement must be submitted to the funding agency within 30 days of the invoice payment.
2. A notification including the fund name, revenue account org & object and amount of the drawdown should be sent to the Treasurer and the Finance Department.
3. The Treasurer will use this notification to ensure the money wired into the City's bank account is deposited into the correct account.
4. The Finance Department will file the information in the corresponding special revenue fund folder for the Auditor's review.

  
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Finance Director

  
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Date