



TOWN OF NANTUCKET  
BOARD OF SELECTMEN

USE OF ONE-TIME FINANCIAL RESOURCES POLICY

*Effective date: 09/15/2011*

*Adopted: 09/14/2011*

*Applicability: Town, School, and Enterprise Departments*

***I. Purpose***

One-time revenue sources are identified as unreserved, undesignated revenue streams that occur on a one time basis as opposed to a continuous basis each fiscal year.

The purpose of this policy is to:

1. Ensure one time revenue sources are used in accordance with Government Accounting Standards Board (GASB) guidelines and the General Laws of Massachusetts (MGL);
2. Ensure one time revenue sources are used in a consistent and efficient manner;
3. Ensure the operating budget is not balanced by using one time revenue sources.

The effectiveness of the policy will be reviewed at the beginning of the budgetary cycle each fiscal year and refined accordingly, if necessary.

***III. Policy – Use of Revenue from Sales of Public Land***

Public land can be acquired through taking by eminent domain, tax title taking, and/or gifted to or purchased by the Town. If the Town decides to sell public land, prior to proceeding with the sale, the disposal of the public land is subject to approval at Town Meeting.

Revenue obtained from the sale of public land will be recognized in accordance with the General Laws of Massachusetts Chapter 44, Section 63 as follows:

*“whenever the proceeds of the sale or other disposal of real estate exceeds five hundred dollars, the same shall be applied to the payment of indebtedness incurred in acquiring such real estate or shall be added to the sinking fund, if any, from which said indebtedness is payable, or if no such indebtedness is outstanding may be used for any purpose or purposes for which the town is authorized to incur debt for a period of five years or more or be applied to the payment of indebtedness incurred under clause (3) of section seven, except that*

*the proceeds of a sale in excess of five hundred dollars of any park land by a town shall be used only by said town for acquisition of land for park purposes or for capital improvements for town land”.*

The Town of Nantucket will not use revenue from the sale of public land as a source to balance its operating budget.

### ***III. Policy – Use of Grants***

Grants are defined as a sum of money awarded by the federal government, state government, private sector companies, or individuals. Examples of federal grants include but are not limited to: federal aviation grants; general government grants, public safety grants, public works grants, education grants, Federal Emergency Management Agency (FEMA) grants. Federal grants include monies awarded to the Town through the Commonwealth of Massachusetts. Examples of state grants include but are not limited to: general government grants, public safety grants, public works grants, education grants, Massachusetts Emergency Management Agency (MEMA), culture and recreation grants, council on aging grants, and library grants.

Grants are awarded for specific purposes which do not include balancing the operating budget.

The Town & County of Nantucket will not use Federal, State, or other grants as a source to balance the operating budget.

### ***IV. Policy – Use of Gifts and Other One Time Sources***

In accordance with the General Laws of Massachusetts Chapter 53A and 53A½ and Chapter 38 of the Code of the Town of Nantucket, the receipt of gifts and donations are subject to approval by the Board of Selectmen or the School Committee. Once approved, gifts and other one time revenue sources such as donations shall be held by the Town Treasurer and maintained in a separate fund by the Town Accountant. Gifts and donations can only be expended according to the purpose of the gift and/or donation as specified by the donor. If the Town is unable to use the gift or donation for the specified purpose, the funds will be returned to the donor.

The Town will not use gift or donation funds as a source to balance the operating budget.