

# CITY OF SOMERVILLE

ORDINANCE NO. 2017-

## In Board of Aldermen

### AN ORDINANCE ESTABLISHING AND AUTHORIZING REVOLVING FUNDS FOR USE BY CERTAIN CITY DEPARTMENTS, BOARDS, COMMITTEES, AGENCIES OR OFFICERS UNDER MASSACHUSETTS GENERAL LAWS CHAPTER 44, SECTION 53 ½

Be it ordained by the Board of Aldermen, in session assembled, that the Code of Ordinances of the City of Somerville is hereby amended by adding the following provisions:  
SECTION X-XX. REVOLVING FUNDS

(a) **Purpose.** This ordinance establishes and authorizes revolving funds for use by city departments, boards, committees, agencies or officers in connection with the operation of programs or activities that generate fees, charges or other receipts to support all or some of the expenses of those programs or activities. These revolving funds are established under and governed by General Laws Chapter 44, § 53E½.

(b) **Expenditure Limitations.** A department or agency head, board, committee or officer may incur liabilities against and spend monies from a revolving fund established and authorized by this ordinance without appropriation subject to the following limitations:

- (1) Fringe benefits of full-time employees whose salaries or wages are paid from the fund shall also be paid from the fund.
- (2) No liability shall be incurred in excess of the available balance of the fund.
- (3) The total amount spent during a fiscal year shall not exceed the amount authorized by the Board of Aldermen on or before July 1 of that fiscal year, or any increased amount of that authorization that is later approved during that fiscal year by the Mayor and the Board of Aldermen.

(c) **Interest.** Interest earned on monies credited to a revolving fund established by this ordinance shall be credited to the General Fund.

(d) **Procedures and Reports.** Except as provided in General Laws Chapter 44, § 53E½ and this ordinance, the laws, charter provisions, ordinances, rules, regulations, policies or procedures that govern the receipt and custody of city monies and the expenditure and payment of city funds shall apply to the use of a revolving fund established and authorized by this ordinance. The City Auditor shall include a statement on the collections credited to each fund, the encumbrances and expenditures charged to the fund and the balance available for expenditure in the regular report the City Auditor provides the department, board, committee, agency or officer on appropriations made for its use.

(e) **Authorized Revolving Funds.** The Table establishes:

- (1) Each revolving fund authorized for use by a city department, board, committee, agency or officer,
- (2) The department or agency head, board, committee or officer authorized to spend from each fund,
- (3) The fees, charges and other monies charged and received by the department, board, committee, agency or officer in connection with the program or activity for which the fund is established that shall be credited to each fund by the City Auditor,
- (4) The expenses of the program or activity for which each fund may be used,
- (5) The fiscal years each fund shall operate under this ordinance.

Approved:

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President

Board of Aldermen