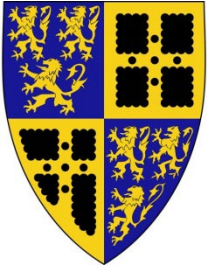


TOWN OF OLD SAYBROOK
SELECTMEN'S OFFICE



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To: Board of Finance
From: Lee Ann Palladino, Finance Director
Re: Emergency Management Fund Procedure
Date: December 3, 2022

The purpose of this memorandum is to request that the Board of Finance (“BoF”) approve the process for placing and using funds in the Emergency Management Fund (“EMF”).

By way of background, the EMF account has existed for many years and has been used to store excess funds received that were greater than direct expenses associated with a disaster. From time to time, the Town is not fully reimbursed for all of its direct expenses after final receipt and the EMF is used to eliminate negative balances. It is recommended that this process be officially codified and approved by the BoF

The auditors have recently reviewed several of the off-budget funds that have been designated as disaster funds as part of The Fiscal Year 2022 audit. As you know the COVID fund has a positive balance, while other storm related funds still have negative balances. During their review they questioned the Town’s process for the handling of funds after the disaster account has been “closed” and asked for supporting documentation.

While, this process has been in place for many years, I was unable to provide documentation of Board of Finance approval to support this process. In my discussions with the auditors, they did state that this was a common practice among other municipalities to have these accounts open and to use them in a manner similar to Old Saybrook, but they would like to see the motion approving this process.

At the end of each fiscal year, I typically “clean-up” these accounts and will report any transfers to the Board of Finance as part of the year end process.

Motion Requested

To approve the process of placing excess disaster funds into the Emergency Management Fund and to utilize Emergency Management Fund balances to cover expenses not reimbursed for disaster funds.