

## ASK THE LEAGUE

*Our town recreation committee oversees several programs for which participants are charged a fee. The committee members insist on having their own treasurer, keeping their own books, and maintaining their own bank account in which they deposit these fees. Is this proper?*

No. In our opinion, Vermont statutes recognize only one treasurer – the town’s elected treasurer – who has legal responsibility to “keep an account of moneys, bonds, notes and evidences of debt paid or delivered to him, and of moneys paid out by him for the town and the town school district, which accounts shall at all times be open to the inspection of persons interested.” 24 V.S.A. § 1571(a). The selectboard and treasurer have joint authority over deposit of town funds. 24 V.S.A. § 1571(b). Town boards and committees do not have the authority to keep their own accounts or to approve orders for payment of expenses unless statute provides that authority.

[www.vlct.org/assets/Resource/Handbooks/VLCT\\_Model\\_Financial\\_Policies\\_Handbook.pdf](http://www.vlct.org/assets/Resource/Handbooks/VLCT_Model_Financial_Policies_Handbook.pdf).

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The situation is a little different in towns that have adopted the town manager form of government. In those towns, the manager has the authority “[t]o do all the accounting for all of the departments of the town and of the town school districts when the board of school directors so request.” 24 V.S.A. § 1236(7). Regardless, even in manager towns, committees and boards do not have authority to have their own treasurer, nor do they have the authority keep their own accounts or to approve orders, unless statute provides that authority.

We suggest that the selectboard and treasurer adopt a policy outlining who is authorized to accept funds on behalf of the town and the process for remitting those funds to the treasurer for deposit. The policy should also address safekeeping of funds, issuance of receipts, and preparing funds for deposit. In towns adopting the town manger form of government, the manager should be part of the policy adoption process. VLCT’s Model Financial Policies Handbook, which addresses these issues, is archived at