

# **WESTTOWN TOWNSHIP**

1039 Wilmington Pike  
West Chester, PA 19382  
610-692-1930

Post Office Box 79  
Westtown, PA 19395  
FAX 610-692-9651

[www.westtownpa.org](http://www.westtownpa.org)

## **AGENDA**

### **Westtown Township Board of Supervisors Virtual Workshop Agenda**

**Westtown Township Municipal Building  
1039 Wilmington Pike, Westtown**

**Monday, October 5, 2020**

**Start time: 5:30 pm**

- 1. Proposal to Create a Westtown Environmental Advisory Council (EAC)**
- 2. Historical Commission Initiative (Brandywine Battlefield Marker)**
- 3. Traffic Signal Maintenance Agreements (Thornbury CC & Thornbury DC)**
- 4. Investment & Accounting Policies – Draft Resolutions**
- 5. Executive Session (6:30 – 7:30 pm)**



# An Environmental Advisory Council for Westtown Township

SEPTEMBER 2020

# Organizing Committee

- ▶ Raymond Dandrea, DDS
- ▶ Mary Jo Hopton, AIA
- ▶ Adam Kapp, MA, PMP
- ▶ Paula Kline, ED.D
- ▶ Patrick McDonough, AIA

# Proposed Agenda



General Background on  
Environmental Advisory Councils



Examples from peer communities



Proposal to initiate an EAC in  
Westtown



Topics of special  
interest:

Habitat restoration

Smart development  
strategies

Food production and  
compost



Request for consideration



“The people have a right to clean air, pure water, and to the preservation of the natural, scenic, historic and esthetic values of the environment.

Pennsylvania’s public natural resources are the common property of all the people, including generations yet to come. As trustee of these resources, the Commonwealth shall conserve and maintain them for the benefit of all the people.”

- **Constitution of the Commonwealth of Pennsylvania**  
Environmental Rights Amendment (Article 1, Section 27)



# The EAC Mission:

▶ *to advise on matters dealing with the protection, conservation, management, promotion and use of natural resources located within your municipality.*

▶ Any municipality in Pennsylvania may create an EAC by ordinance. Specific Powers - Act 148 empowers EACs to:

- ▶ • **Identify environmental issues and recommend plans and programs** to the appropriate municipal agencies for the promotion and conservation of natural resources and for the protection and improvement of the quality of the environment within its territorial limits.
- ▶ • **Make recommendations for the use of open land areas, keep an index of all opens space**, publicly or privately owned, including flood-prone areas, swamps and other unique natural areas, for the purpose of obtaining information on the proper use of those areas and advise the appropriate local government agencies, including the planning commission and recreation and park board and the elected governing body, on the acquisition of property, both real and personal.
- ▶ • Promote community environmental programs, with special attention to protecting air, soil and water resources.

# The benefits of an EAC: it serves a variety of roles

- ▶ EACs focus exclusively on environmental conservation and improvement.
- ▶ EACs provide a pool of “hometown talent” to draw upon when they make decisions affecting the environmental resources in their communities.
- ▶ EACs undertake a wide variety of projects and information-gathering tasks, providing energy and objective, in-depth analysis about environmental resource issues. Since municipal ordinances and decisions based upon sound science withstand the tests of scrutiny and time, EACs can be a huge benefit to the communities that create them.
- ▶ EACs organize and sponsor environmental education programs and projects.
- ▶ EACs create partnerships and often coordinate with other organizations such as Land Trusts and watershed associations.



▶ EACs in the Greater West Chester Area include East Bradford, East Goshen, Uwchlan, East Whiteland, Kennett Township, West Chester Borough and West Goshen.

**The Pennsylvania Land Trust Association manages the statewide EAC network**, hosts an annual conference and supports resource sharing. The 2020 EAC conference highlighted stormwater management, conservation practices, promoting clean air through renewable energy, habitat restoration and native plants, among other topics.

## Neighboring EACS

# Typical Environmental Education projects undertaken by EACs across Pennsylvania

- ▶ Workshops and projects that provide specific information for citizens to use in adopting environmentally sound practices, such as composting, or information on environmental issues or programs, including growth management, and hazardous waste.
- ▶ Programs and workshops on a wide range of environmental topics and issues such as climate change, wildlife, forestry, and invasive species concerns.
- ▶ Publicize events and information through websites, posters, press releases and notices to schools and civic and neighborhood organizations.
- ▶ Help school districts to achieve environmental science learning goals by offering enrichment of topics that are now required by the Pennsylvania Department of Education.

# Habitat Restoration: Native Plants and Invasives

- ▶ Overview
  - ▶ Why are native plants and pollinators important to our area ?
- ▶ Native plants (from PA Audubon brochure attachment 1):
  - ▶ - Evolved naturally over hundreds of thousands of years
  - ▶ - Thrive in local conditions
  - ▶ - Support ecosystem better than exotics or invasives
  - ▶ - Create wildlife corridors needed to sustain their existence
  - ▶ - Require less fertilizer and water
  - ▶ - Native Plants have much deeper roots systems compared to non-natives and are important factors in stormwater management (See Stormwater Mgt by Brandywine Conservancy Attachment 2 )

# The importance of pollinators

- ▶
- ▶ Pollinators (from Natural Resources Conservation Service Site attachment 3):
  - ▶ Definition: an animal that moves pollen from the male anther of a flower to the female stigma thereby fertilizing the plant
    - ▶ - One third of all US agriculture depends on pollination
    - ▶ - Apples, blueberries and cherries are 90% pollinated
    - ▶ - Essential component of food and shelter for wild animals
    - ▶ - Urbanization, use of pesticides and spread of invasive species have led to a marked decline in population of pollinator

## 2.) Why is it important to reduce the population of invasive species ?

- ▶ Invasive plants (from PA Dept. of Conservation and Natural Resources attachment 4):
  - ▶ Invasive trees and plants choke off the growth of other species by their aggressive growth patterns.
  - ▶ They are not native to a particular area and pose a risk to the ecosystem by degrading the habitat of insects, birds and animals.
  - ▶ Our PA Dept. of Natural Resources categorizes invasive trees, flowers, vines, shrubs and grasses into three categories of threat to ecosystem: Severe, Significant and Lesser
  - ▶ Tree of Heaven, which was highlighted in the recent Westtown Gazette newsletter is the host of the Spotted Lantern Fly and listed as Severe Threat along with well-known Honeysuckle and Kudzu.



### 3.)How can we introduce the benefits of Native Plants to Westtown Township ?

Community Education (Newtown Square Project attachment 5):

Following the May 2 EAC Network Meeting, Janet Krevenas of the Newtown Square EAC offered assistance to Westtown Twp. She has provided the “Gardening with Nature in Mind” project development worksheet (attached) for our benefit.

If approved, our EAC could use this program as a template for a similar effort to introduce native plants to Westtown Township open spaces.

Both the PA Audubon Society and Valley Forge Audubon Society are potential sources of grant applications for native planting projects. The projected total of \$3000 for the Newtown Square project was covered by awards from both organizations; however, their program was delayed until spring 2021 due to Covid19.

# Possible habitat related projects

▶ Regarding specific implementation in Westtown Twp, our EAC could work in conjunction with the Tyson Park Bioswale Project which included a demonstration site for watershed restoration in Phase I. In addition, Larchbourne Park is in dire need of rehabilitation. The open space near Larchwood Road is overrun by invasive plants with little maintenance there other than mowing. It would be an ideal site for introduction of native plants and reduction of invasives.



▶ Additionally, an EAC could provide recommendations to the Oakbourne Park Master Plan and township Zoning Board regarding ordinances which would require native plants to be a part of landscaping of new construction and municipal sites.



▶ Redbud Nurseries of Media carries the most diverse selection of native plants in southeastern PA and would be a valuable asset.

▶ <https://redbudnative.com>





# Another benefit: Providing value to residents

- ▶ The EAC can support existing initiatives, such as educating residents on composting and gardening
  - ▶ COVID-19 has highlighted the benefits of home gardens for increasing food security
  - ▶ Composting has been instrumental in helping other municipalities achieve their goals of diverting waste from landfills
  - ▶ We know the USDA Plant Hardiness Zone Map for our area has changed / will continue to change
  - ▶ Connecting local farmers with consumers

# Increasing home gardening

- ▶ The World Economic Forum identified several benefits to increased suburban/urban gardening, including:
  - ▶ Resilient food supplies: Diversifying where and how we grow our food helps spread the risk of disruption to food supplies.
  - ▶ Healthier lives: Gardening can improve mental health and physical fitness, and may also lead to healthier diets.
  - ▶ Healthier ecosystems: Carbon capture, wildlife and pollinator habitat, etc.



# Increasing composting

- ▶ In 2014, organic materials made up the largest component of municipal solid waste generated in the United States, with food and yard waste accounting for about 28 percent.
- ▶ Composting provides a wide range of economic and environmental benefits, including:
  - ▶ improved soil health
  - ▶ nutrient recycling
  - ▶ drought mitigation
  - ▶ carbon sequestration



# Request

- ▶ Approve an ordinance for the formation of an Environmental Advisory Council
- ▶ Appoint as many as 7 members to serve without compensation for staggered three-year terms

# Resources

▶ Attachments:

- ▶
- ▶ 1 Native Plants of SE PA Brochure: Audubon Society PA
- ▶ 2 Stormwater Management by Brandywine Conservancy
- ▶ 3 Why Pollinators : USDA Natural Resources Conservation Service
- ▶ 4 About Invasive Plants: Dept. Conservation & Natural Resources
- ▶ 5 Newtown Square EAC Gardening Project





Brandywine Battlefield Historic Interpretive Marker Project  
**SCOPE OF WORK**

BBTF will coordinate the development of an interpretive sign to support the 2013 Brandywine Battlefield Preservation Plan between the above referenced municipality and The Pennsylvania Society of Sons of the Revolution and its Color Guard. (PSSR/CG). This sign will be based on the prototype installed in the Trimblesville Historic District by the Friends of Martins Tavern.

- 1.1 Project Organization (See attached detail)
  - 1.2 BBTF will organize meetings with the fifteen Brandywine Battlefield Municipalities to discuss the location, theme and proposed wording for each sign.
  - 1.3 The Brandywine Battlefield Park Associate's Education Coordinator will finalize the wording for each sign.
  - 1.4 PSSR/CG reserves the right to not approve a contract and can ask that a new sign be developed.
  - 1.5 Each interpretive marker will be placed in an accessible location that reflects:
    - An important aspect of the Battle of Brandywine per the approved driving tour
    - Has three to five minute parking for two to three cars
    - Has a GPS traceable address for navigation purposes
- 2.1 Sign Development
  - 2.2 Municipal HC will meet to develop wording and placement location.
  - 2.3 Municipal HC and the BBTF will reach agreement on wording and location.
  - 2.4 Municipal HC will meet with property owner to discuss placement of sign and pull-off for 2 – 3 cars to stop for individuals to read the sign.
  - 2.5 Municipal HC will finalize sign location, wording, and pull-off area and seek approval from their municipality to sign the contract.
  - 2.6 BBTF will approve 2.4 recommendations with the PSSR/CG and sign contract.
  - 2.7 PSSR/CG will approve the 2.4 recommendations and sign the contract.
  - 2.8 Municipality will order the sign from the project vendor Lakeshore Industry and install the sign.
  - 2.9 The sign will be the property of the municipality.
- 3.1 Invoicing
  - 3.2 Municipality will submit an invoice to PSSR/CG for \$1,500 per sign after PSSR/CG signs the Agreement. Payment within 30 days. Invoicing details to follow.
  - 3.3 Municipality will submit an invoice with photograph to PSSR/CG for up to \$1,500 per sign after completion of installation. Photo becomes property of PSSR/CG. Payment due within 30 days.

**Brandywine Battlefield Historic Interpretive Marker Project  
AGREEMENT FOR SERVICES**

This Agreement of Services (hereinafter "Agreement") made this \_      day of \_      , 2020

between \_\_\_\_\_ (Municipality), the Brandywine Battlefield Task Force (hereinafter BBTF), and the Pennsylvania Society of Sons of the Revolution and its Color Guard (hereinafter (PSSR/CG).

The term of this Agreement shall begin \_\_\_\_\_ and continues through \_\_\_\_\_.

BBTF will coordinate the development of an interpretive sign format to support the 2013 Brandywine Battlefield Preservation Plan between the above referenced municipality and the PSSR/CG. The sign format will be based upon the prototype developed and installed in the Trimbleville Historic District by the Friends of Martins Tavern.

The BBTF will coordinate and finalize signage placement, rendering, and wording per the attached Scope of Work.

The Municipality will work with BBTF and approve the final signage placement, rendering and wording. The Municipality will order, install, maintain, replace and pay the seller for the sign within the Agreement terms. The Municipality will own the sign and have sole title and responsibility for the sign and order the sign only from the approved vendor, Lakeshore Industry.

The PSSR/CG will pay for each sign to be installed within the boundaries of the Municipality by a first installment of \$1,500 upon signing of this Agreement and one additional installment of \$1,500 upon the installation of each sign.

Funds received in the performance of all services herein contracted for shall be utilized in accordance with all applicable Federal, State and Local laws, regulations and policies, as amended.

Maximum reimbursement under this Agreement shall not exceed \$3,000 per sign; all reimbursement will be only to the Municipality and only on approved invoice with confirmation of installation. Each sign shall afford attribution for the sign to the PSSR/CG.

Any amendment hereto shall be in writing and signed by all parties.

**IN WITNESS WHEREOF**, the parties hereto have executed the Agreement on the day and the year first hereinabove set forth:

\_\_\_\_\_  
Municipal Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Pennsylvania Society of Sons of the Revolution  
and its Color Guard

\_\_\_\_\_  
Date

\_\_\_\_\_  
Brandywine Battlefield Task Force

\_\_\_\_\_  
Date

11/08/19

## TRAFFIC SIGNAL MAINTENANCE AGREEMENT

This **JOINT TRAFFIC SIGNAL MAINTENANCE AGREEMENT** (this "Agreement") is entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 by and between the TOWNSHIP OF WESTTOWN, CHESTER COUNTY, ("Westtown") and the TOWNSHIP OF THORNBURY, CHESTER COUNTY ("Thornbury CC"), both being municipal corporations organized and existing under the laws of the Commonwealth of Pennsylvania.

### **BACKGROUND**

**WHEREAS**, Westtown and Thornbury CC share common municipal boundaries; and

**WHEREAS**, said municipal boundaries share the use of certain traffic signals ("Traffic Signals") at the following intersections:

- PA Route 926 and US Route 202 with Left Turn Signal
- PA Route 926 and Dalmally Road
- PA Route 926 and S. New Street
- PA Route 926 and S. Concord Road
- PA Route 926 and Shady Grove Road
- PA Route 926 and Westtown Road
- PA Route 926 and Shiloh Road

**WHEREAS**, the Traffic Signals are owned by Westtown; and

**WHEREAS**, Westtown has historically paid for all costs associated with the Traffic Signals; and

**WHEREAS**, Thornbury CC has historically reimbursed Westtown, upon receipt of invoicing, for a portion of the maintenance, repairs, upgrades, insurance, labor, and other direct costs associated with upkeep, plus a 15% administrative fee, for all of the Traffic Signals; and

**WHEREAS**, Westtown and Thornbury CC wish to enter into a written agreement regarding the allocations of maintenance responsibilities, energy costs, signal system upgrades, and labor costs associated with the Traffic Signals. Upgrades may include those necessary to enhance and augment intersection safety and capacity for vehicles and pedestrians at the Traffic Signals.

**NOW, THEREFORE**, in consideration of the following mutual promises and agreements and for other good and valuable consideration, the receipt and lawful sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. Incorporation of Recitals. The Recitals set forth in the Background Section of this Agreement are incorporated herein as if here set forth in their entirety.

2. Location. The parties agree to assume the responsibility for payment of the costs, in the manner as set forth herein, relating to the maintenance and repair of the Traffic Signals, accessories, and appurtenances.
3. Future Shared Traffic Signals. This Agreement shall include any future shared Traffic Signals not already provided for herein along common municipal boundaries shared by Westtown and Thornbury CC.
4. Responsibility for Traffic Signals. The parties shall have the following responsibilities for the Traffic Signals:
  - A. Electrical Service Cost. The costs for electric service and power for the Traffic Signals shall be initially paid by Westtown and subsequently invoiced to Thornbury CC as provided herein.
  - B. Contract Maintenance Cost. Contract maintenance costs related to maintenance, repair, and replacement of the Traffic Signal shall be initially paid by Westtown and subsequently invoiced to Thornbury CC as provided herein.
  - C. Traffic Signal Upgrades Cost. The design and construction costs to implement upgrades to the Traffic Signals as may be necessary to enhance and augment intersection safety and capacity for vehicles and pedestrians, shall initially be paid by Westtown and subsequently invoiced to Thornbury CC as provided herein.
  - D. Insurance. The cost for insurance coverage for Traffic Signals shall initially be paid by Westtown Township and subsequently invoiced to Thornbury CC as provided herein.
  - E. Labor Costs. Any direct labor costs by Westtown Public Works on the Traffic Signals, shall be initially paid by Westtown and subsequently invoiced to Thornbury CC as provided herein.
  - F. Invoicing. Westtown shall invoice Thornbury CC for 50% of the actual amount paid by Westtown for all existing Traffic Signals and all future Traffic Signals along their common municipal boundary for costs incurred pursuant to Paragraphs 4.A through E above. Invoicing shall include a 15% administrative fee for Westtown.
  - G. Payment. Thornbury CC shall pay all invoice/s as set forth in Paragraph 4.F above within 45 days of receipt of said invoice/s.
5. Exercise of Powers. Westtown shall exercise its powers within its respective corporate jurisdiction in furtherance of maintenance and/or upgrades of the Traffic Signals and shall retain sole responsibility for its jurisdictional authority.
6. Effective Date. This Agreement shall become effective as of the date of the execution by each of the parties hereto.

7. Notices. Any notice under this Agreement shall be in writing and shall be deemed to be effective when personally served or deposited in the United States mail postage prepaid addressed to the parties at the respective address set forth below:

8.

To Westtown:  
Township Manager  
Westtown Township  
PO Box 79  
Westtown, PA 19395

To Thornbury:  
Thornbury Township Chester County  
8 Township Drive  
Cheyney, PA 19319

9. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

10. Entire Agreement. This Agreement contains the entire Agreement between the parties hereto and may not be changed except by an amendment in writing signed by both parties.

11. Severability. If any portion of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Agreement shall continue in full force and effect.

12. Further Assurances. Each party agrees to execute and deliver such additional instruments and documents and to take all such other action as the other party may reasonable request from time to time in order to effect the provisions and purposes of this Agreement.

**(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)**

**IN WITNESS WHEREOF**, Westtown and Thornbury CC executed this Agreement the day and year first above written.

**THE TOWNSHIP OF THORNBURY, CHESTER COUNTY**  
A Township of the Second Class

By its Board of Supervisors  
Its duly elected governing body

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**THE TOWNSHIP OF WESTTOWN, CHESTER COUNTY**  
A Township of the Second Class

By its Board of Supervisors  
Its duly elected governing body

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## TRAFFIC SIGNAL MAINTENANCE AGREEMENT

This **JOINT TRAFFIC SIGNAL MAINTENANCE AGREEMENT** (this "Agreement") is entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 by and between the TOWNSHIP OF WESTTOWN, CHESTER COUNTY, ("Westtown") and the TOWNSHIP OF THORNBURY, DELAWARE COUNTY ("Thornbury DELCO"), both being municipal corporations organized and existing under the laws of the Commonwealth of Pennsylvania.

### **BACKGROUND**

**WHEREAS**, Westtown and Thornbury DELCO share common municipal boundaries; and

**WHEREAS**, said municipal boundaries share the use of a certain traffic signal at the intersection of PA Route 926 and PA Route 352 ("Traffic Signal"); and

**WHEREAS**, the Traffic Signal is owned by Westtown; and

**WHEREAS**, Westtown has historically paid for all costs associated with the Traffic Signal; and

**WHEREAS**, Thornbury DELCO has historically reimbursed Westtown, upon receipt of invoicing, for 50% of the maintenance, repairs, upgrades, insurance, labor, and other direct costs associated with upkeep, plus a 15% administrative fee, for the Traffic Signal; and

**WHEREAS**, Westtown and Thornbury DELCO wish to enter into a written agreement regarding the allocations of maintenance responsibilities, energy costs, signal system upgrades, and labor costs associated with the Traffic Signal. Upgrades may include those necessary to enhance and augment intersection safety and capacity for vehicles and pedestrians at the Traffic Signal.

**NOW, THEREFORE**, in consideration of the following mutual promises and agreements and for other good and valuable consideration, the receipt and lawful sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. **Incorporation of Recitals**. The Recitals set forth in the Background Section of this Agreement are incorporated herein as if here set forth in their entirety.
2. **Location**. The parties agree to assume the responsibility for payment of the costs, in the manner as set forth herein, relating to the maintenance and repair of the Traffic Signal, accessories, and appurtenances.
3. **Future Shared Traffic Signals**. This Agreement shall include any future shared Traffic Signals not already provided for herein common municipal boundaries shared by Westtown and Thornbury DELCO.

4. Responsibility for Traffic Signal/s. The parties shall have the following responsibilities for the Traffic Signal/s:
  - A. Electrical Service Cost. The costs for electric service and power for the Traffic Signal/s shall be initially paid by Westtown and subsequently invoiced to Thornbury DELCO as provided herein.
  - B. Contract Maintenance Cost. Contract maintenance costs related to maintenance, repair, and replacement of the Traffic Signal/s shall be initially paid by Westtown and subsequently invoiced to Thornbury DELCO as provided herein.
  - C. Traffic Signal Upgrades Cost. The design and construction costs to implement upgrades to the Traffic Signal/s as may be necessary to enhance and augment intersection safety and capacity for vehicles and pedestrians, shall initially be paid by Westtown and subsequently invoiced to Thornbury DELCO as provided herein.
  - D. Insurance. The cost for insurance coverage for Traffic Signal/s shall initially be paid by Westtown Township and subsequently invoiced to Thornbury DELCO as provided herein.
  - E. Labor Costs. Any direct labor costs by Westtown Public Works on the Traffic Signal/s, shall be initially paid by Westtown and subsequently invoiced to Thornbury DELCO as provided herein.
  - F. Invoicing. Westtown shall invoice Thornbury DELCO for 50% of the actual amount paid by Westtown for all existing Traffic Signals and all future Traffic Signals along their common municipal boundary for costs incurred pursuant to Paragraphs 4.A through E above. Invoicing shall include a 15% administrative fee for Westtown.
  - G. Payment. Thornbury DELCO shall pay all invoice/s as set forth in Paragraph 4.F above, within 45 days of receipt of said invoice/s.
5. Exercise of Powers. Westtown shall exercise its powers within its respective corporate jurisdiction in furtherance of maintenance and/or upgrades of the Traffic Signal(s) and shall retain sole responsibility for its jurisdictional authority.
6. Effective Date. This Agreement shall become effective as of the date of the execution by each of the parties hereto.
7. Notices. Any notice under this Agreement shall be in writing and shall be deemed to be effective when personally served or deposited in the United States mail postage prepaid addressed to the parties at the respective address set forth below:

To Westtown:  
Township Manager

Westtown Township  
PO Box 79  
Westtown, PA 19395

To Thornbury DELCO:  
Thornbury Township  
6 Township Drive  
Cheyney, PA 19319

8. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.
9. Entire Agreement. This Agreement contains the entire Agreement between the parties hereto and may not be changed except by an amendment in writing signed by both parties.
10. Severability. If any portion of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Agreement shall continue in full force and effect.
11. Further Assurances. Each party agrees to execute and deliver such additional instruments and documents and to take all such other action as the other party may reasonable request from time to time in order to effect the provisions and purposes of this Agreement.

**(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)**

**IN WITNESS WHEREOF**, Westtown and Thornbury DELCO executed this Agreement the day and year first above written.

**COUNTY**

**THE TOWNSHIP OF THORNBURY, DELAWARE**

A Township of the Second Class

By its Board of Supervisors  
Its duly elected governing body

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**THE TOWNSHIP OF WESTTOWN, CHESTER COUNTY**

A Township of the Second Class

By its Board of Supervisors  
Its duly elected governing body

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# **Memo**

**TO:** Board of Supervisors  
**CC:** Rob Pingar  
**FROM:** JoAnne Grube  
**DATE:** July 2020  
**RE:** Investment Policy

The current Township Investment Policy was adopted November 2000 and was established specifically for investment of assets in a Reserve Fund Investment Pool. Act 10 of 2016 was signed into law March 25, 2016 and expands the list of permitted investments for all local governments, school districts, and local municipal authorities in Pennsylvania. Under the prior law, local government codes varied by entity type (borough, city, county, municipal authority, township) and class (1<sup>st</sup>, 2<sup>nd</sup> class). Governments of the first and second class are now permitted to invest funds in commercial paper by:

- Authorizing expansion of investments permitted to include: commercial paper, bankers' acceptances, negotiable certificates of deposit, and insured bank deposit reciprocals (see overview below)
- Extending the maturity limit of federal agency securities beyond the 397-day limit maximum security
- Updating money market fund language in anticipation of changes in Federal regulations

An overview of the new investment types follows:

## **Commercial Paper**

- Corporations or other business entities, issue short-term debt, generally between 1 and 270 days, to finance accounts receivable, inventories, and meeting other short term liabilities
- Issued at a discount, pays face value at maturity
- Creditworthiness relates to the credit of the issuing company
- Generally, higher yielding than government securities

## **Bankers' Acceptances**

- **Commercial banks issue these short-term instruments, generally from 1- to 180-days, to facilitate commercial trades**
- **Issued at discount, pays face value at maturity**
- **Creditworthiness relates to the credit of the issuing bank**
- **Generally, higher yielding than government securities, though slightly less than commercial paper**

## **Negotiable Certificates of Deposit**

- **Issued by a nationally or state-chartered bank, a federal or state savings and loan association, or a state-licensed branch of a foreign bank, generally maturities are within 7-days and 5-years (3-year maximum maturity in Act 10)**
- **Pays face value and interest at maturity or sold at a discount and pays face value at maturity**
- **Creditworthiness relates to the credit of the issuing company**
- **Generally, higher yielding than government securities**

## **Insured Bank Deposit Reciprocal**

- **Deposits at one Federal Deposit Insurance Corporation ("FDIC") insured financial institution, that are above the FDIC-insured limit of \$250,000, are redeposited by the original FDIC-insured institution in additional FDIC-insured institutions such as that no one institution has greater than the insurance limit, and at the same time, other FDIC-insured institutions deposit their customers' funds in an equal amount at the first institution.**

**Act 10 provided for additional investment options that allow PA local governments to more fully diversify their investments while limiting maturity and requiring high credit ratings of the issuers which helps limit the risks.**

**The intent of the Investment Policy is to define the parameters within which funds are to be managed. This policy should be reviewed periodically and modifications made thereto must be approved by the Board of Supervisors.**

**Please let me know if I can answer any questions.**

**JoAnne**

DRAFT 7/31/2020

# INVESTMENT POLICY STATEMENT

JoAnne Grube

WESTTOWN TOWNSHIP PO Box 79 Westtown, PA 19395

# Table of Contents

**Scope**..... 2

**Purpose**..... 2

    Legality ..... 2

    Safety ..... 2

    Liquidity..... 2

    Yield..... 2

    Diversification ..... 2

**Delegation of Responsibility** ..... 3

**Permitted Investments** ..... 3

**Bond Proceeds**..... 4

**Ownership Records, Security Purchases, and Securities** ..... 5

**Maturity**..... 5

**Ethics and Disclosure**..... 5

DRAFT

## Scope

This Investment Policy Statement establishes guidelines for the safeguarding and efficient management and investment of the Township's short-term cash financial assets.

## Purpose

It shall be the policy of the Westtown Township Board of Supervisors to invest public funds in a manner that will optimize its return in such a way as to minimize non-invested balances and to maximize return on investments. This investment policy statement only pertains to the investment and/or deposit of public funds in the Township's governmental and proprietary (enterprise) funds. Deposits in pension funds and irrevocable trusts of the Township are excluded from this policy.

The primary objectives of the Township's investment activities, in priority order, shall be:

**Legality** - All deposits and investments shall be made in accordance with applicable laws of Pennsylvania. In particular, the Township Treasurer shall ensure that all bank deposits in excess of \$250,000 (or the FDIC insurance limit) are collateralized pursuant to Act 72 and that all deposits and investments comply with the Pennsylvania Second Class Township Code and Act 10 of 2016 which expanded PA permitted investments.

**Safety** - Safety of principal shall be of highest priority. Preservation of capital in the portfolio of investments shall be ensured through the mitigation of credit risk and interest rate risk. The Township Treasurer shall annually take reasonable steps to ensure that Township-approved depository banks are well capitalized.

**Liquidity** – The Township shall remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. A fiscal year's anticipated cash flow shall be developed so that investments can be made as early as possible, with maturities concurrent with anticipated cash demands. Forecasts for medium-term and long-term liquidity needs shall be conducted as part of the Township's annual budget planning session and forecasts for the next fiscal year shall be conducted as part of the budget process in the fall. These forecasts shall guide decisions about liquidity needs.

**Yield** - Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. The Treasurer shall analyze the potential for interest rate increases to impact the value of investments prior to investing in any fixed income security. The Treasurer shall annually review the yield on checking, savings and money market accounts, certificates of deposit and pooled investment trusts to ensure that rates on those products are competitive with rates offered through other banks and financial institutions.

**Diversification** - Investments shall be diversified by avoiding concentration in obligations of a specific issuer (excluding U.S. Treasury securities).

## Delegation of Responsibility

The Township Treasurer has the responsibility for managing the Township's investment program, in accordance with this investment policy statement.

The Treasurer shall report quarterly to the Board the cash balance of every Township Fund, along with the interest rate on each account and/or investment; the terms of investment and maturity date, if applicable; the names of the institutions where investments are placed; the average weighted maturity of investments; and the average weighted return on all Township deposits and investments.

The Treasurer shall also prepare a long-range forecast for the annual budget planning session in the spring in order to anticipate medium and long-term liquidity needs, and a forecast for the next fiscal year as part of the budget process in the late fall.

## Permitted Investments

The Treasurer may deposit available cash balances in any of the following accounts and investments:

1. Federal Deposit Insurance Corporation (FDIC) insured accounts. These include checking accounts, savings accounts, money market accounts, certificates of deposit (CDs) or any other type of account bearing FDIC insurance provided it is permitted under Act 10 and the Second Class Township Code, with the following conditions:

- a. All deposits in checking accounts, savings accounts and money market accounts shall be collateralized pursuant to Act 72 to the extent that total deposits with any one depository not exceed the greater of \$250,000 or the current limit for FDIC insurance.
- b. The Treasurer may invest in CDs either directly from approved Township depositories or through CD purchase programs offered by the Township's approved depositories, provided that any individual CDs are in increments of \$250,000 or less to ensure the FDIC guarantee. Examples of CD purchase programs include the Certificate of Deposit Account Registry Service (CDARS) program and the Pennsylvania Local Government Investment Trust (PGLIT) CD Purchase Program.
- c. To the extent that the Township purchases CDs from or through multiple approved Township depositories, the Treasurer will ensure that each depository is made aware of all the underlying CDs of the other(s) to avoid inadvertently breaching the \$250,000 threshold with any one bank.

2. Local government investment pools, either state-administered or developed through intergovernmental agreement legislation, provided:

- a. The local government investment pool is rated in the highest tier by a nationally recognized rating agency.
- b. The local government investment pool restricts investments to those permitted under Act 10 and the Second Class Township Code. The maturity date on any deposit or investment does not exceed 397 days.
- c. The local government investment pool is an approved Township depository.

3. U.S. Treasury bills.

4. Obligations of the Federal Government or its agencies or instrumentalities backed by the full faith and credit of the United States of America.

5. Obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth or of any political subdivision of the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

6. Any other investments expressly permitted by Act 10 or the Second Class Township Code, including, but not limited to the following types of securities, provided that the Treasurer performs reasonable due diligence on the viability of their respective secondary markets:

- a. Obligations, participations, or other instruments of any Federal agency, instrumentality, or U.S. government-sponsored enterprise, including those issued or fully guaranteed as the principal and interest by Federal agencies, instrumentalities, or U.S. government sponsored enterprises, if the debt obligations are rated at least "A" or its equivalent by at least two (2) nationally recognized statistical ratings organizations.
- b. Commercial paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed 270 days, if the issuing corporation or business entity is rated in the top short-term category by at least two (2) nationally recognized statistical ratings organizations.
- c. Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less, issued by a nationally or State-chartered bank, a Federal or State savings and loan association or a State-licensed branch of a foreign bank. For obligations with a maturity of one year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations. For obligations with a maturity in excess of one year, the senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
- d. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity and the accepting bank is rated in the top short-term category by at least two (2) nationally recognized statistical ratings organizations.
- e. Shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, provided that the following are met:
  - i. Such investment companies must restrict their investments to those listed in this section.
  - ii. The investment company is managed so as to maintain the value of its shares at a constant net asset value in accordance with federal regulations relating to money market funds.
  - iii. The investment company is rated in the highest category by a nationally recognized rating company.

## Bond Proceeds

Bond proceeds shall be invested in accordance with the Local Government Unit Debt Act, applicable federal and state laws and this investment policy statement, subject to approval by bond counsel. Except where further restricted by bond covenants and indentures, all investments listed in Permitted Investments of this Investment Policy are permitted investments for funds related to the proceeds of a

specific bond issue, including project or construction funds, capitalized interest, debt service, and any other related funds.

## **Ownership Records, Security Purchases, and Securities**

All securities shall be purchased in the name of the Township, and custody of the securities shall be specified within the Township's investment program. Securities will be held by a custodian that has been approved by the Board of Supervisors and is listed as an approved Township depository.

## **Maturity**

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Township to meet all projected obligations. Investments of Township funds shall be designed and managed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs of the Township. Therefore, operating funds shall generally be limited to investments with maturities of one-year or less.

## **Ethics and Disclosure**

Members of the Board of Supervisors and Township staff involved in the investment process shall refrain from personal relationships or personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

Members of the Board of Supervisors and Township Staff involved in the Township's investment process shall disclose any personal business activity that could conflict with the proper execution and management of the investment program or could impair their ability to make impartial decisions.

**WESTTOWN TOWNSHIP**

**RESOLUTION 2020-XX**

**A RESOLUTION BY THE WESTTOWN TOWNSHIP BOARD OF SUPERVISORS TO ADOPT A POLICY GOVERNING THE INVESTMENT OF PUBLIC FUNDS**

**WHEREAS**, the Board of Supervisors of Westtown Township, in exercising its fiduciary responsibilities, desires to safeguard the funds that may be invested from time to time; and,

**WHEREAS**, the Board desires to authorize and institute guidelines for the investment of public funds by establishing an Investment Policy Statement; and,

**WHEREAS**, Pennsylvania Act 10 of 2016 expanded the permitted investments of Townships of the Second Class to include Commercial Paper, Bankers' Acceptances, Negotiable Certificates of Deposit, and Insured Bank Deposit Reciprocal; and

**WHEREAS**, Act 10 contains risk limiting provisions such as maximum maturity dates and requiring high credit ratings of issuers; and

**WHEREAS**, the Westtown Township Board of Supervisors has determined that it would be beneficial to the Township to invest excess funds for the purpose of increasing revenue; and,

**NOW, THEREFORE, BE IT RESOLVED**, by the Westtown Township Board of Supervisors, Chester County, Pennsylvania, that the Accounting Policies and Procedures Manual be adopted, and attached as "Appendix A".

**DULY ADOPTED** by the Board of Supervisors of Westtown Township at its regular meeting held on the \_\_\_\_\_ day of October 2020.

**BOARD OF SUPERVISORS**

ATTEST:

\_\_\_\_\_  
Richard Pomerantz, Chair

\_\_\_\_\_  
JoAnne Grube, Finance Director

\_\_\_\_\_  
Carol R. De Wolf, Vice Chair

\_\_\_\_\_  
Scott E. Yaw, Police Commissioner

# **Memo**

**TO: Board of Supervisors**

**CC: Rob Pingar**

**FROM: JoAnne Grube**

**DATE: July 2020**

**RE: Accounting Policy and Procedures Manual**

**Attached for your review is an Accounting Policy and Procedure Manual that I have developed to document the internal controls of the accounting function of the Township. It became apparent to have such procedures in place following the recent Kennett Township debacle.**

**Additionally, it is desirable to formalize policies and procedures that provide Township employees with well-defined direction in the performance of their duties relative to established internal controls.**

**The redemption of credit card rewards, as previously brought to your attention, has been addressed in this Manual.**

**Westtown has not had a Policy and Procedure Manual of this function in the past. A draft Resolution is also attached for your review.**

**I would be happy to discuss further following your review.**

**JoAnne**

DRAFT 7/31/2020

# ACCOUNTING POLICIES AND PROCEDURES MANUAL

JoAnne Grube

WESTTOWN TOWNSHIP P.O. Box 79, Westtown, PA 19395

## Table of Contents

<b>Purpose</b> .....	2
<b>Scope</b> .....	2
<b>Definitions</b> .....	2
<b>Legislative Requirements</b> .....	2
<b>Policy Statement</b> .....	2
<b>Application of Policy</b> .....	2
<b>General Financial Transactions</b> .....	3
<b>Accounting/Bookkeeping</b> .....	3
<b>Revenue</b> .....	3
<b>Banking</b> .....	4
1. <b>Checks</b> .....	4
2. <b>Cash</b> .....	4
3. <b>Credit Cards</b> .....	4
4. <b>ACH Transactions</b> .....	4
5. <b>Petty Cash</b> .....	5
6. <b>Bank Accounts</b> .....	5
<b>Credit/Procurement Cards</b> .....	5
<b>Credit Card Cash Rewards</b> .....	6
<b>Accounts for Payment and Disbursement</b> .....	6
<b>Payroll</b> .....	7
1) <b>Payroll Records</b> .....	7
2) <b>Payroll Processing</b> .....	7
3) <b>Quarterly Payroll Taxes</b> .....	8
<b>Annual Budget</b> .....	8

## Purpose

The Accounting Policies and Procedures Manual (the Manual) documents the Internal Controls adopted by Westtown Township to safeguard assets, secure the accuracy and reliability of accounting data and financial reporting and promote operational efficiency.

## Scope

The Manual covers accounting, financial reporting, and financial governance activities of Westtown Township.

## Definitions

Definitions within this Manual are consistent with Governmental Accounting Standards Board (GASB).

## Legislative Requirements

The Manual is to be read and implemented in conjunction with Westtown Township's other relevant policies, strategies, and documents.

## Policy Statement

It is Westtown Township's policy to:

1. Have in place an adequate system of internal controls which promote a high level of compliance with Westtown Township policies and procedures
2. Implement and maintain a system of control to assist Westtown Township to carry out its activities in an efficient and orderly manner, ensure adherence to policies, safeguard the Township's assets and financial sustainability, and secure the accuracy and reliability of its records.

## Application of Policy

This Manual is to be used by Westtown Township employees to assure that Westtown's financial resources are properly safeguarded and utilized only for authorized purposes. The Manual brings together those policies and procedures that relate to the accounting activities of Westtown Township.

Internal Control Procedures support the accuracy and reliability of Westtown Township records which emphasize the following:

- Segregation of duties, when possible, within the organization based on functional responsibilities
- A system of authorizations and record retentions
- Review and reconciliation of financial records

- Detection and correction of irregularities
- Access to, and security of, computer programs
- Access to, and security of, cash, assets and other Westtown Township resources
- Sound budget management including Westtown Township oversight
- Ensuring adherence to policies and procedures
- Containing the risks faced by Westtown Township to an acceptable level
- Prudent financial governance

To achieve internal control objectives, the following controls will be in place:

1. No one person shall have complete control over all phases of any significant transaction.
2. Whenever possible, the flow of work will be from one employee to another so that the second, without duplicating that of the first, provides a check upon it.
3. Record keeping will be separated for operations on the handling of assets.
4. Responsibilities in the Accounting Department will be clearly established and followed as closely as possible.

## General Financial Transactions

### Accounting/Bookkeeping

Westtown Township accounting records will be maintained on a cash basis using up to date methods of electronic data processing. The following accounting records will be maintained:

1. Cash – A consecutive record of cash receipts and payments
2. General Journals
3. General Ledgers for all funds
4. Subsidiary Ledgers including receivables/payables
5. Other records necessary to fully document and explain the financial transactions of Westtown Township as required (for example, budgeting and annual reporting)

Subsidiary ledgers shall be reconciled with the General Ledger at least monthly by the Senior Accountant.

There will be adequate and appropriate supervision of employees with sufficient employee backup to ensure that accounts and ledgers are adequately maintained.

Employees working within the accounting function will have the capabilities and training commensurate with their responsibilities.

### Revenue

Receipt of all revenue shall be recorded accordingly:

1. A separate journal entry for each transaction

2. The payer shall be issued a receipt upon request
3. The receipt record shall indicate the mode of payment, i.e., check, cash, credit card, etc.
4. Receipts shall be issued in numerical sequence
5. Mail will be opened by the Office Clerk as soon as it is received and date stamped with the exception of mail which is confidential in nature
6. Checks received through the mail and all cash payments with the attached receipts will be forwarded to the Senior Accountant for processing. In the intervening periods between banking, all revenues (cash and checks) will be stored in a secure location

## Banking

Monies received by an employee of Westtown Township must be deposited into a Westtown Township bank account. The following banking standards shall be followed:

1. **Checks** - All checks received by or on behalf of Westtown Township must be processed by the Senior Accountant as soon as practicable on or after the day of receipt.
  - All check payments shall be entered into the accounting system
  - The batch or journal entry is verified with the deposit amount from the bank system by the Senior Accountant
  - The bank deposit report, accounting detail report, and the supporting documents are filed in date order and retained as per the Municipal Records Retention Manual
2. **Cash** - All cash received will be delivered to the bank a minimum of once a week.
  - Payments are entered into the accounting system by the Senior Accountant
  - The batch or journal entry is verified with the deposit amount by the Senior Accountant prior to the bank deposit
  - The deposit slip, accounting detail and the supporting documents are filed in date order and retained as per the Municipal Records Retention Manual
3. **Credit Cards Payments** – All credit card payments are processed in the office or through the Township website.
  - All receipts will be delivered to the Senior Accountant
  - The receipts will be recorded in the accounting system in daily batches
  - The posting date will be reconciled with the bank posting record by the Senior Accountant
  - The accounting detail report and the credit card receipts will be filed in date order and retained as per the Municipal Records Retention Manual
4. **ACH Transactions** – All ACH transactions shall be processed by the Senior Accountant as follows:
  - ACH transactions will be processed upon receipt of the email or corresponding document. This includes, but not limited to, real estate taxes, local enabling taxes, Chester County payments, Portnoff delinquent collections, Liquid Fuels allocations, Auditor General allocations, etc.
  - The supporting documents should be verified prior to creating the transaction in the accounting software
  - Allocation of the transaction should be recorded to the correct general ledger line item and appropriate descriptions of the transaction should be accurate

5. **Petty Cash** – Receipt and disbursement of petty cash shall be processed as follows:
- Cash payments may be made out of a petty cash account established by Westtown Township for expense reimbursement only. Cash advances are not permitted unless authorized by the Township Manager.
  - A cash reimbursement cannot exceed \$50.00 unless authorized by the Township Manager
  - The petty cash account shall be reconciled at least monthly by the Senior Accountant or other designated employee.
  - Petty cash transactions shall be recorded and supported by petty cash receipts.
  - The recipient of cash must not be the disbursement employee, even if the staff member has delegated authority. The recipient must have a more senior delegated officer or one of equal authority sign the petty cash form.
  - If the petty cash account needs replenishment, a check shall be prepared by the Finance Director for approval by the Supervisors at a Board meeting.
6. **Bank Accounts** - All bank accounts will be operated exclusively for the purpose of conducting Westtown Township business. Those presently authorized as signers are:
- All Township Supervisors
  - Township Manager/Treasurer
  - Finance Director/Assistant Treasurer
- At least two authorized bank signatories are required to authorize disbursements from Township bank accounts.
  - All accounts will be in the name of Westtown Township.
  - New accounts can only be opened with the prior approval of the Township Supervisors.
  - Bank reconciliations for each bank account operated by Westtown Township shall be prepared monthly by the Senior Accountant.

### Credit/Procurement Cards

The Township Manager, Finance Director and Public Works Director maintain Township credit/procurement cards. The use of credit/procurement cards as approved by Resolution 2015-9 shall be subject to the following standards:

- Monthly credit card statements shall be presented to the Board of Supervisors for approval.
- The Township credit/procurement card recipient must comply with the conditions of use.
- Expenditures on credit/procurement cards will be limited to the maximum credit balances as allowed.
- Credit/procurement card expenditures must be signed by the card holder and supported by the appropriate documentation and be submitted to the Accounts Payable Clerk for reconciliation with the monthly statement.
- The cardholder will ensure that a satisfactory description of the items purchased is on the sale receipt/invoice.
- The credit/procurement card cannot be used for any of the following:
  - 1) Cash withdrawals
  - 2) Non-work related expenditures
  - 3) Items of equipment (unless approved by the Township Manager)
  - 4) Internet transactions which are not on a secure website

- 5) Membership for recreational, sporting or social clubs
- 6) Fuel – Card may only be used for fuel when Township pumps are not operational.
- Personal expenditures charged by a cardholder to their Westtown Township credit/procurement card will be treated as a serious breach of policy. Disciplinary action may include, but not limited to: termination of employment, administrative action in the form of card cancellation, cost recovery, police report and/or criminal proceedings.
- The cardholder will not permit the use of the card by another individual except for work related expenses incurred with prior approval.
- Hospitality or entertainment expenditures which are charged on the credit card must be accompanied by information such as the reason for the function, the number of staff, spouse and the total number of people in attendance at the function.
- Failure to provide the required information regarding hospitality or entertainment expenditures may result in the cost being treated as non-work related expenditures and therefore subject to disciplinary action.
- When a credit/procurement card is lost or stolen, the cardholder must immediately report it to the Finance Director for cancellation.
- Any staff member who does not comply with the conditions of use will have the card withdrawn and may be subject to disciplinary action.
- The cardholder must return the card should they cease to be an employee of Westtown Township or when directed by the Township Manager or Board Supervisor.
- Reconciliation of the credit card statements must be completed by the 15<sup>th</sup> day of each month

### Credit Card Cash Rewards

Cash rewards earned on credit/procurement card purchases may only be redeemed with the Board of Supervisor's authorization and subject to the following:

- Cash rewards must be deposited in a designated Township bank account.
- Cash rewards shall be used for capital projects/purchases designated and authorized by the Board of Supervisors.
- Failure to follow the cash reward redemption process will be treated as a serious breach of Township policy. Disciplinary action may include, but not limited to: termination of employment, administrative action in the form of card cancellation, cost recovery, police report and/or criminal proceedings.

### Accounts for Payment and Disbursement

The following internal controls must be adhered to in the processing of all disbursements from Township accounts:

- All invoices for payment shall be approved by the Department Head as to:
  - 1) The receipt of the goods and services
  - 2) The prices charged being fair and reasonable
  - 3) The calculations and additions being correct
  - 4) The allocation of the payment to the correct general ledger account
- Original invoices are submitted to the Accounts Payable Clerk for entry into the accounting software. This shall include the scanning of the approved invoices with supporting documents.
- Checks are issued on Westtown Township's bank accounts.

- All disbursements shall be authorized by the Board of Supervisors and one (1) of the following:  
Township Manager/Treasurer or Finance Director/Assistant Treasurer
- Checks shall be drawn on Westtown Township check stock, pre-numbered and issued in numerical sequence.
- Unused checks shall be stored securely by the Finance Director who shall maintain an up-to-date check register. This check register is required to be approved by the Township Supervisors at the regularly scheduled meetings.
- Checks shall be attached to the appropriate supporting documentation and submitted to the Manager/Treasurer for review and signature. All disbursement are then forwarded to two (2) authorized signers.
- The checks are separated from the supporting documents and prepared for mailing by the Accounts Payable Clerk.
- All checks stubs and supporting documentation are filed in numerical order for audit purposes.
- Voided checks must be recorded as such and maintained in a file for audit purposes.
- Documentation regarding disbursements shall be retained for the period prescribed by the Municipal Records Retention Manual.

## Payroll

The following internal controls must be adhered to in the processing of payroll:

- 1) **Payroll Records** - Payroll records will be maintained by the Finance Director for all employees of Westtown Township.
  - Records will be maintained for each pay based on:
    - 1) Hours worked and rate of pay
    - 2) Gross salary or wages
    - 3) Taxes and deductions
    - 4) Sick, Personal Time Off (PTO) and other leaves available
  - Salaries and wages will be paid on the basis of hours of attendance recorded on an approved time sheet, except for exempt employees.
  - The Finance Director will be responsible for the processing of new hires, rate changes, deduction changes and terminations, as authorized by the Board of Supervisors.
  - Payroll records shall be maintained in a secured file.
  
- 2) **Payroll Processing** – The processing of payroll is an internal function performed by the Senior Accountant or a designated employee in the Finance Department.
  - Time sheets will be submitted by the employee to the Department Head for approval prior to submission to the Finance Department.
  - The payroll process will include
    - 1) Review of time sheets for accuracy and discuss any discrepancies with the Department Head.
    - 2) Assure that overtime hours recorded are in compliance with the Fair Labor Standards Act (FLSA).
    - 3) Record Personal Time Off (PTO), sick time and compensatory time in the employee logs.
    - 4) Complete time entry into the payroll system
    - 5) Calculate payroll and verify totals.
    - 6) Print payroll checks and employee direct deposit advices.

- 7) Record payroll journal entries.
  - 8) Issue payment for payroll taxes and benefits
  - 9) Transfer funds to the appropriate bank accounts
  - 10) Reconcile payroll records
- 3) **Quarterly Payroll Taxes** – The processing and payment of quarterly payroll taxes shall be performed by the Senior Account or a designated employee in the Finance Department.
- 1) Following the last payroll of each quarter, but not later than the end of the month following the end of the quarter, payroll taxes and reconciliations shall be paid and filed with the appropriate taxing authority (Federal, State, and Local).
  - 2) Record payroll tax journal entries in the general ledger.
  - 3) Documentation regarding disbursements and reconciliations shall be retained for the period of time prescribed by the Municipal Records Retention Manual.

## Annual Budget

Westtown Township's Finance Department shall prepare the annual budget for all funds for the ensuing calendar year for approval by the Board of Supervisors subject to the following:

- The budget shall reflect, as nearly as possible, the estimated revenues and expenses of the Township.
- The budget should be managed within clear, credible and predictable limits for fiscal policy.
- The budget should be closely aligned with the medium-term strategic priorities of government.
- Pursuant to Second Class Township Code, as part of the budget process, Westtown Township shall give notice by advertisement once in one newspaper of general circulation that the proposed budget is available for public inspection.
- After the proposed budget has been available for twenty (20) days, the Board of Supervisors shall adopt the final budget not later than the 31<sup>st</sup> day of December.
- The budget is supported by and supports the various pillars of public governance and as such, the following budget principles should provide practical guidance for designing, implementing, and improving budget systems to meet the challenges of the future:
  - 1) The budget should be managed with clear, credible and predictable limits for fiscal policy if it is to command trust and serve as a basis of governance.
  - 2) The budget should be closely aligned with medium-term strategic priorities of government.
  - 3) The budget documents and data should be open, transparent and accessible.
  - 4) Debate of budgeting choices should be inclusive, participative and realistic.
  - 5) The budget should present a comprehensive, accurate and reliable account of the public finances.
  - 6) The budget should ensure that public resources are planned, managed and used effectively to make a positive impact on citizen's lives.
  - 7) Performance, evaluation and value for money should be integral to the budget process.
  - 8) The budget should be developed to meet long-term liabilities and ensure appropriate funding for infrastructure and sustainability.

**WESTTOWN TOWNSHIP**

**RESOLUTION 2020-XX**

**A RESOLUTION BY THE WESTTOWN TOWNSHIP BOARD OF SUPERVISORS TO  
ADOPT A POLICY ESTABLISHING INTERNAL ACCOUNTING CONTROL  
PROCEDURES**

**WHEREAS**, The Board of Supervisors of Westtown Township, in exercising its fiduciary responsibilities, desires to safeguard assets, secure the accuracy and reliability of accounting data and financial reporting while promoting operational efficiency; and,

**WHEREAS**, the Board of Supervisors of Westtown Township desires to establish internal control procedures to guide the general financial transactions of the Municipality; and,

**WHEREAS**, the Accounting Policies and Procedures Manual will document the internal controls to be followed as a basis for accurate financial reporting while ensuring fiscal transparency.

**NOW, THEREFORE, BE IT RESOLVED**, by the Westtown Township Board of Supervisors, Chester County, Pennsylvania, that the Westtown Township Accounting Policies and Procedures Manual be adopted and attached as “Appendix A”.

**DULY ADOPTED** by the Board of Supervisors of Westtown Township at its regular meeting held on the \_\_\_\_\_ day of September 2020.

**BOARD OF SUPERVISORS**

ATTEST:

\_\_\_\_\_  
Richard Pomerantz, Chair

\_\_\_\_\_  
JoAnne Grube, Finance Director

\_\_\_\_\_  
Carol R. De Wolf, Vice Chair

\_\_\_\_\_  
Scott E. Yaw, Police Commissioner