

MEMO

TOWN OF MANSFIELD

DATE : October 22, 1991

TO : *RITA BRANWELL, LOAN GARDNER, PETER TOLLMAN, SONDRA STAVE, BILL KENNEDY, MARILYN GOSLIND*

FROM : Roger C. Pellerin

SUBJECT: Accounting for Rental of Town Buildings

Attached is an informal procedure recently approved by Jeff Smith which should be used to account for the rental of town buildings. In most instances, there will be no change in the way we currently report. However, please review the area of your responsibility and conform to these instructions if required.

Please contact me with any questions you may have.

Roger C. Pellerin

RCP:lmj

cc: Jeff Smith

COPIES SENT TO [unclear]

Jna

10/22/91

SUBJECT: Accounting for Revenue and Expenditure for Rental of Town Property.

BACKGROUND: The Town of Mansfield derives some income from the rental of certain Town facilities to certain groups under certain circumstances. In some instances, such as the need to use a Town employee during normal "off" hours, "reimbursable" expenditures are also incurred.

Currently, the accounting for revenues and expenditures is handled a bit differently for each building in use. The following is how they presently work and my recommendation for changes if deemed advisable.

LIBRARY:

A church fellowship group has steadily rented the auditorium at this facility on Fridays and Sundays. There has been periodic use by other groups during the year. There has been no need for a Town employee to be on hand during their stay. Revenue is collected on an informal basis by the Library Director and deposited with the Collector of Revenue. The funds are credited to General Fund (111), Activity - Maintenance of Buildings (30900), Revenue Source Code - Rent - Library (40805). In 90/91 revenue was \$1800. The 91/92 revenue budget is set at \$1000.

Since there is no "reimbursable" salary cost connected with this situation, I see no need to change what we are doing.

MUSEUM, OLD TOWN HALL:

The Mansfield Historical Society rents the Old Town Hall and School located on Route 195. No "reimbursable" salary costs are connected with their use of the building. Bi-monthly billing is initiated by the Revenue Collectors Office and the revenue is credited to General Fund (111), Activity - Maintenance of Buildings (30900), Revenue Source Code - Rent - Historical Society (40804). In 90/91 revenue was \$2402. The 91/92 revenue budget is set at \$2400.

I see no need to change what we are doing.

SCHOOLS:

The use of various school auditoriums by various organizations is administered by Sondra Stave. She initiates billing (through the Revenue Collectors Office) which sometimes includes charges for the additional use of custodial or other services. A separate Special Revenue Fund (270); Other Operating and Activity (62609) School Use Fund has been established to record revenue and expenditures. Revenue from billing is credited to Source Code - Miscellaneous (40800). Expenditures for the use of personnel are recorded through the distribution of payroll costs. Employees involved submit separate timesheets charging their time to Fund 270, Activity 62609 and the appropriate object code. In FY 90/91, revenues exceeded expenditures by \$3436 and this excess was returned to the General Fund.

The administration of this rental program appears to be working very well and I advocate no changes.

TOWN HALL

The use of the Town Hall by various organizations is administered to by Joan Gerdson. The incidence of charging for use of the building has been very infrequent. There is seldom the need to use a Town employee during "off hours", therefore, charges for this service are seldom applied. Joan usually collects the rental in advance and issues her own billing on a pre-printed form. The revenue receipt has been credited to the General Fund (111), Activity - Finance Administration (16100), Revenue Source Code - Other (40890).

Since it appears the incidence of charges for the Town Hall use will be on the increase, I recommend that we begin to account for revenue and expenditures consistent with the Library and Old Town Hall rentals. When depositing the receipt of rental fees (which could include charges for custodial services, etc.), the Town Clerks Office should credit General Fund (111), Activity - Maintenance of Building (30900), Revenue Source - Rent - Town Hall (40807). If there are additional custodial or maintenance personnel costs associated with the rental, the Director of Maintenance (Peter Tollman) should: (1) advise the Town Clerk of the amount of payroll costs to add to the rental charge; and (2) insure that the employee turns in a separate timesheet to Payroll charging Fund 111, Activity 30900 and the appropriate payroll object code.

Segregating these revenues and expenditures will provide the information from which to analyze the degree of success of the rental program.

SENIOR CENTER:

This facility has not, in the past, charged rental fees for usage by outside organizations. Since it appears this will become a reality soon, the mechanism for accounting should be set. Responsibility for assessing and collecting rental fees should be assigned to Marilyn Gerling. She should issue billing on a pre-printed form (probably similar to the form used by the Town Clerks Office). This billing should include additional custodial or maintenance personnel costs associated with the rental if applicable. When deposited, the revenue should be credited to General Fund (111), Activity - Maintenance of Buildings (30900), Revenue Source - Rent - Senior Center (40808).

The Director of Maintenance (Peter Tollman) should: (1) advise Marilyn of the amount of payroll costs to add to the rental charge; and (2) insure that the employee turns in a separate timesheet to Payroll charging Fund 111, Activity 30900 and the appropriate payroll object code.

Segregating these revenues and expenditures will provide the information from which to analyze the degree of success of the rental program.