



# Bulletin

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2010-05B

## SPECIAL ELECTION PROCEEDS

TO: Auditors, Accountants, Clerks, Mayors, Selectmen, City and Town Managers, Finance Directors and Assessors

FROM: Gerard D. Perry, Director of Accounts

DATE: May 2010

SUBJECT: Treatment of Special Election Proceeds

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We have received inquiries regarding the treatment of reimbursements received from the state in connection with the special election for United States Senator (December 8, 2009 Primary and January 19, 2010 Final Election). This *Bulletin* explains the accounting treatment of the reimbursement proceeds for (1) special election expenses generally and (2) extended polling hours. General Laws c. 44, §§ 38 and 43.

### Special Election Expenses

Generally, the reimbursement proceeds for special election expenses are unrestricted revenues that belong to the general fund and require an appropriation to spend. G.L. c. 44, § 53. Ordinarily any unanticipated general fund proceeds not reported in the tax rate are unavailable for appropriation until the Director of Accounts certifies them as part of a community's free cash at the close of the fiscal year. G.L. c. 59, § 23. Due to the timing of this disbursement, however, communities would be unable to appropriate these monies for election expenses until after the close of FY2010.

Therefore, in this special case, city auditors or town accountants may with the concurrence in a city of the mayor or manager, or in a town, the board of selectmen:

- Record the proceeds as general fund receipts, or report them as estimated receipts if the FY2010 tax rate has not already been certified by the Bureau of Accounts;
- Apply the proceeds to reduce any impending deficit in the budget from which expenditures for the special election were paid; or
- Apply the proceeds to reimburse a budget (*e.g.*, the reserve fund) from which funds were transferred to the budget from which expenditures for the special election were paid.

Any remaining proceeds will close to fund balance (free cash) at the end of FY2010.

### **Extended Polling Hours Expenses**

The extended polling hours reimbursement, distinct from the special election reimbursement, is governed by St. 1983, c. 503. A separate special revenue account should be established for those proceeds. The municipal clerk or other election officer may pay the expenses for the extended polling hours from that account. No appropriation is required.

Any further questions should be directed to your Bureau of Accounts field representative.