Town of Canaan: Board of Finance Policies and Procedures
Updated July 13, 2026

The Town of Canaan Board of Finance follows the State of Connecticut statutes for Municipal Boards of Finance.

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POLICIES

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Conflict of Interest

Board of Finance members shall recuse themselves from voting on salaries and/or benefits of town officials to whom they are related or otherwise have a close personal relationship.

Adopted September 10, 2007
Updated July 13, 2026

The disposition of fiscal year ending budget surpluses

It is the policy of the Canaan Board of Finance that, in accordance with the comments of the town auditor and The Office of the Treasurer, the fiscal year-end surpluses of a municipal department be returned to the town general fund.

Adopted February 10, 2010

General Fund Variances as reported by the Treasurer

The Treasurer shall provide a monthly narrative reporting the fluctuations in the General Fund identifying the variances from month to month in the General Fund.

Adopted February 8, 2016

Recording of Minutes

The Treasurer's report and the Tax Collector's report will be attached to the recorded minutes and electronically posted.

Adopted November 13, 2017

Policy Clarification Regarding the Transfer of Funds within Departmental Budgets *

If an amount is requested to be transferred within sub-lines of a department (ex. #1001 Selectmen Expenses or #1002 Town Hall Expenses etc.) that does not exceed 15% of the department's budget total and will not over-spend the department's total budget amount, then the transfer can be authorized by the Board of Selectmen with subsequent notice to the Board of Finance at their regularly scheduled monthly meeting. Such adjustments will be reviewed in summary by the Board of Finance at the end of the fiscal year for discussion or reconciliation as needed.

Transfer requests within a department's sublines exceeding 15% of the department's budget total require Board of Finance approval, with the exception of the Road Maintenance department #3001 and Fire Commission department #2001 which can transfer up to 60% of funds within sublines of those departments due to seasonal flexibility and emergency needs.

For an emergency/critical circumstance requiring immediate budget action, spending exceeding this 15% limit may be authorized by unanimous Board of Selectmen vote, with subsequent timely notice to the Board of Finance for review and approval.

Received at BOF Meeting 3/9/20

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Addressing Deficiencies via Transfers between Appropriations *

From July through September 30 of the fiscal year, no transfers between appropriations may be made without prior approval from the Board of Finance and, if necessary, Town Meeting.

Further, that for the period from October 1 through the end of the fiscal year, June 30, no transfers exceeding 10% of the deficient line appropriation or $500, whichever is larger, can be made without prior approval from the Board of Finance and if necessary, Town Meeting, with the exception of emergency when waiting for a Board of Finance Meeting could endanger the Public or cause the Town to violate State law;

Adopted at October 18, 2021 BOF meeting

Public Comment for Board of Finance meetings

1. Public comments will be permitted at the commencement of all public meetings from those present in person at the meeting or by those attending via remote location.
2. Normally, the comments must be limited to two minutes. However, at the request of any Board of Finance member, the Chair may permit additional time.
3. Written comments to the Board of Finance will be circulated among all members and alternates and attached to the minutes of the meeting.
4. Any Board of Finance member, at their discretion, may read all or part of any written comments at the meeting.
5. At the request of any Board of Finance member, the Chair may allow additional time for public comments at any time.
6. Letters or memoranda to individual Board members will not be circulated among Board members or included in the official record.

Adopted at April 10, 2023 BOF meeting

Limits to use of General Fund re annual budget recommendation

The Board of Finance will not use the General Fund for budget relief in an amount that would reduce the General Fund Balance below ~~12.5%~~ 11.5% of the combined annual expenditures (Education and Municipal).

April 16, 2024 BOF Resolution; amended at May 11, 2026 meeting

PROCEDURES

Town of Canaan Spending and Revenue Planning

The BOF is, among other things, responsible for the Town's annual spending plans that include spending for municipal purposes and its board of education, for requesting, and receiving budget estimates, and presenting these to the legislative body.

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During this process, the BOF may elect to change any line in the proposed municipal spending plan (best done in consultation with the Board of Selectmen), and it may elect to change the bottom line of the Board of Education's proposed spending plan. The BOF may not change any specific line in the proposed Board of Education's proposed spending plan.

Once we present the spending plans at the Town Meeting, the presented plans become the BOF spending plan, for which we are responsible.

<u>The timeline and process</u>:

February or March (presentations)

1. BOF requests that the Board of Selectmen and the Board of Education (not on the same night as Region One BOE budget presentation) present their proposed annual spending plans for the next fiscal year to the BOF by a particular date.
2. The Board of Selectmen present the proposed municipal spending plan to the BOF.
3. The Board of Education presents the proposed BOE spending plan to the BOF.

April (review)

1. BOF meets to discuss the presented spending plans. BOF Chair communicates to the BOS and/or the BOE any requested changes or questions regarding the proposed plans.*
2. BOF schedules a public hearing to occur in April or May and a Town Meeting to occur in May (these two meetings must be at least two weeks apart).
3. BOF schedules a special meeting to occur immediately after the Town Meeting to vote on the revenue plan (mill rate) for the next fiscal year.

May (vote and adoption of spending and revenue plans)

1. Town Meeting is held to vote on municipal and BOE spending plans
2. BOF special meeting (immediately following the town meeting) to vote on the mill rate

* At the regular BOF or at additionally scheduled special BOF meetings, the BOF may further discuss and take action regarding the proposed spending plans, should they feel the need to consider opinions or suggestions made during the public hearing or during other BOF meetings on the topic. It is important to have approved spending plans in place by the end of May in order for the administrative staff (tax collector, treasurer/bookkeeper) to be able to perform their duties in a timely manner.

ALTERNATES

Alternates should attend meetings and participate in meeting discussions in-person or via remote meeting vehicle, even when not formally seated for a missing BOF member.

Adopted July 13, 2026

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