

Washington County

Board of Commissioners Resolve No. 2026-3

Board Policy/Directive on Priority Finance Items

WHEREAS, the Board of Commissioners ("Commissioners") has prioritized improvement of historic financial procedures for Washington County government based in significant part on audit findings from 2022 and 2023 ("Audit Findings"); and

WHEREAS, the Commissioners have directed and implemented certain recommendations including, without limitation, hiring of a Finance Director and adoption of specific policies involving fund transfer procedures, grant application and receipt/distribution, and grant administration and financial policy; and

WHEREAS, there is a continuing need to address the Audit Findings to continue improvement of the County's financial procedures and policies, which remains ongoing and which the Commissioners desire to formally recognize as part of the County's established policies/procedures through this Resolve; and

WHEREAS, additionally, one of the Audit Findings recommended establishment of a comprehensive accounting policies and procedures manual ("Manual"), which is in progress but has not yet been completed for formal adoption; and

WHEREAS, in the Commissioners' judgment it is prudent to formally establish as a written policy the following directives specific to the Audit Findings on an interim basis while development of a Manual is completed for adoption.

NOW THEREFORE, BE IT RESOLVED, that the following specific financial procedures shall herewith be formally established on an interim basis until a comprehensive accounting policies and procedures manual is adopted:

1. Fund Account Structure Within the General Ledger. All transactions must be recorded and reported by individual funds. Each fund shall maintain separate accounting records for assets, liabilities, fund balance, revenues, and expenditures. All transactions shall be recorded to the appropriate fund throughout the year and periodically reviewed for accuracy.
2. Account Reconciliations. The County Finance Office, County Administrator, and County Treasurer shall implement procedures to ensure accuracy for monthly account reconciliations including, without limitation, certification that the process was completed and reviewed.
3. Cash Reconciliations. The County Finance Office, County Administrator, and County Treasurer shall prepare a work plan to implement procedures to ensure all bank reconciliations are completed on a rolling monthly basis. Specifically, the prior month shall be reconciled before the expiration of the following month (e.g., January reconciled on or before the end of February). All items reconciled shall be investigated and resolved promptly, with supporting documentation maintained evidencing the preparation and review of reconciliations. The objective of timely cash reconciliations is to ensure cash balances are accurate, discrepancies are identified and corrected

timely, and financial information is available and reliable for review and oversight by the Commissioners.

4. Supporting Documentation for Bank Transfers. All bank transfers must be supported by adequate documentation including, without limitation, evidence of authorization, purpose of the transfer, source and destination of accounts, transaction amounts, and confirmation of completion by the financial institution.
5. Grant Tracking, Financial System Utilization and Strategic Management of ARPA. The previously adopted Grant Application and Receipt/Distribution and Grant Administration and Financial Management Policy are incorporated herein by reference.
6. Cash Flow Monitoring Procedures. The County Administrator shall ensure all specific procedures are properly implemented, working with the County Finance Office and County Treasurer, to ensure available cash resources are compared to restricted and unearned revenue balances, and report the same to the Commissioners on a monthly basis. In addition, the County Administrator is hereby tasked to develop and prepare a written plan to improve liquidity and replenish cash reserves to ensure funds received for future program requirement remain available until eligibility requirements are met and revenues are earned. Further, the County Administrator is hereby tasked to prepare a written action plan to eliminate the deficit fund balance through identified budgeting practices, expenditure controls, revenue enhancements (where feasible), and periodic monitoring of the County's financial position throughout the year. The County Administrator shall present this action plan for Commissioner review and, once finalized and approved, implement said plan.
7. Capital Assets. The County Administrator shall perform the following:
 - a. Complete a comprehensive inventory of all capital assets of the County
 - b. Ensure capital asset records are reconciled with supporting documentation
 - c. Working with the County Finance Office and County Treasurer, establish capital asset accounting policies and procedures
 - d. Identify in writing specific controls to ensure capital asset additions, disposals, transfers, and depreciation are recorded accurately and timely, and implement
 - e. Conduct periodic reviews of capital asset records to ensure continued compliance with GASB requirements
8. Journal Entries. All journal entries shall be reviewed and approved by an individual independent of the preparer prior to posting, with such review verifying the appropriateness of the entry, supporting documentation, account classifications, and authorization. All documentation of the review and approval shall be retained as the part of the County's accounting records.
9. Budget Monitoring. The County Administrator shall on a monthly basis prepare and review budget-to-actual reports and include such reports in the monthly packet for regular monthly meetings of the Commissioners. Any proposed budget amendments shall be included before expenditures exceed appropriated amounts.
10. Registry of Deeds Surcharge Funds. All Registry of Deeds preservation surcharge collections shall be deposited or transferred to a designated deeds surcharge account

in accordance with statutory requirements. Further, all interest shall be calculated and recorded on these funds to ensure amounts are credited to the account as required by law.

BE IT FURTHER RESOLVED, that the County Administrator, on behalf of the Commissioners, is hereby directed to take all necessary and appropriate actions to implement this Resolve; and

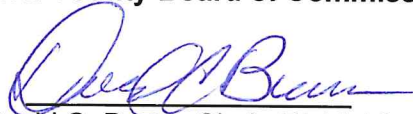
BE IT FURTHER RESOLVED, that while these interim financial directives are in place, the County Administrator, working with the County Finance Office and County Treasurer, is hereby directed to complete a comprehensive written accounting policies and procedures manual for review/consideration by the Commissioners; and

BE IT FURTHER RESOLVED, that the County Administrator, on behalf of the Commissioners, is hereby directed to distribute this Resolve to all affected persons and entities; and

BE IT FURTHER RESOLVED, that the County Administrator, as County Clerk, shall cause this Resolve to be placed on file as a record of the Commissioners' action.

Dated this 8th day of October 2026 in Machias, Maine.

Washington County Board of Commissioners



David C. Burns, Chair, District 2



William Howard, District 1



Courtney Hammond, District 3

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