

2002-15B

TO: Mayors, Boards of Selectmen, Finance Committees, City Councils,
Finance Directors, Town Managers, Executive Secretaries, Town
Administrators, Town Accountants, City Auditors, and Boards of
Assessors

FROM: Frederick Kingsley, Chief
Municipal Data Management/Technical Assistance Bureau

DATE: November 2002

SUBJECT: FY04 Changes to Cherry Sheet Assessments

The purpose of this bulletin is to notify local officials of two significant changes to Cherry Sheet assessments (Form CS-1EC) for FY04.

First, beginning in FY04, Cherry Sheet assessments will include tuition assessments for School Choice, Charter Schools and the Essex County Agricultural and Technical School. Placing these assessments on the Cherry Sheet will provide uniformity in the budgetary treatment of these assessments and ensure their recognition in the tax rate setting process. In past years, there has been little consistency in the way these assessments have been handled across the state. Some communities have raised them as "other amounts to be raised" when setting a tax rate, others voted appropriations to cover them and a few didn't provide for them at all and simply netted them against Chapter 70 receipts. Incorporating these tuition assessments with other state and county charges on the Cherry Sheet will eliminate the need for town meeting or city council to vote appropriations to cover these amounts. Therefore, as you begin budget planning for FY04, please remember not to appropriate funds for these tuition assessments.

-over-

Second, as indicated in a letter sent from this office on August 6, 2002, we will be eliminating the Prior Year Underestimates and Overestimates appearing in columns 2 and 3 of the Cherry Sheet assessments. We believe that these line-items have become so immaterial that they do not warrant being tracked by municipalities or the state for two years. Local accounting officers are instructed to handle differences between the estimated charges and assessments in the same manner that variances in Cherry Sheet receipts (Form CS-1ER) are handled in the year-end closing process. This will eliminate the need to reserve these amounts on the balance sheet and make future Cherry Sheet assessments a one-column document. The RMV Non-Renewal Surcharge, which has historically been a Prior Year Underestimate, will be moved to Column 1 Estimates to be Raised and the estimate will be based on the most current information we have when Cherry Sheets are prepared.

Finally, please be advised that the FY04 Cherry Sheets will be distributed solely in an electronic format on the Division of Local Services' website: www.dls.state.ma.us.