



L. JOYCE HAMPERS  
COMMISSIONER  
EDWARD J. COLLINS, JR.  
DEPUTY COMMISSIONER  
HARVEY J. BETH  
DIRECTOR OF ACCOUNTS

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Bureau of Accounts*

*Leverett Saltonstall Building, Government Center*  
*100 Cambridge Street, Boston 02204*  
June 6, 1980

MAIL ADDRESS:  
P. O. BOX 7015  
BOSTON, MASS. 02204

Mr. James L. Sullivan  
City Manager  
Executive Department  
Cambridge, Massachusetts 02139

Dear Mr. Sullivan:

This letter is in response to the request from the City of Cambridge for approval to incur liability in excess of the appropriation in the amount of \$919,000 in accordance with the provisions of Chapter 44, Section 31 of the Massachusetts General Laws.

Please be advised that with a great deal of reservation, I hereby approve the request with the understanding that the sum will not exceed \$919,000 and that the funds will be included in the aggregate appropriations assessed in the determination of the next subsequent annual tax rate, unless otherwise provided for by that time.

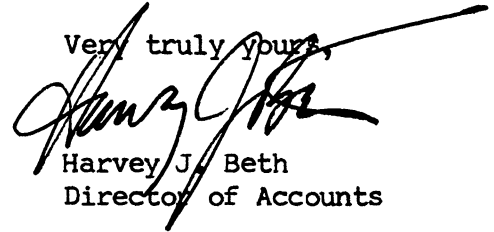
As you know, we have spent a good deal of time deliberating this issue. Authorization was reluctantly granted. It appears that this "extreme emergency" was self created. Had there been responsible and effective budgeting behavior, it is quite likely that this would not have occurred.

Your own note to Mr. Oliver S. Brown, Assistant Superintendent of the Cambridge Schools, stated quite clearly, half way through the fiscal year, that it is imperative for the "School Department to live within its annual budget..." It appears that the officials responsible for school fiscal affairs paid no heed to this request. You should advise them that, hence forth, the Director of Accounts will not authorize such behavior by authorizations such as this.

In fact, I intend to issue a set of guidelines that will serve notice to all cities and towns that authorization to spend in excess of appropriations will only be granted for "extreme emergencies" that were beyond the control of the municipality. If the emergency condition is one that has been created by irresponsible actions, they will be denied in the future.

I hope you will convey the gist of my message to your City Council and the School Committee so that they will take whatever precautionary measures are necessary to prevent any future occurrence of this nature. I also hope that the city's accounting and budgeting controls will be reviewed so as to ascertain that sufficient controls are in effect. These controls should provide full disclosure of projected budget overruns each and every month on a timely basis. Remedial action can best be taken if such controls are in effect.

Very truly yours,



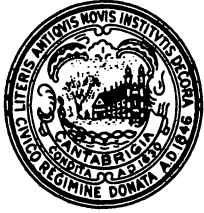
Harvey J. Beth  
Director of Accounts

HJB:tmc

cc: Francis H. Duehay, Mayor  
George O'Brien, City Treasurer/Collector  
Arthur Libitz, City Auditor  
Board of Assessors

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OFFICE OF THE  
CITY MANAGER



# CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 498-9011

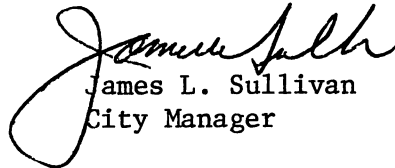
EXECUTIVE DEPARTMENT  
JAMES L. SULLIVAN  
City Manager

June 16, 1980

To the Honorable, the City Council:

Enclosed please find copy of a communication from Harvey J. Beth, Director of Accounts at the State Department of Revenue, relative to the School Department's request for \$919,000 in excess of appropriation.

Very truly yours,

  
James L. Sullivan  
City Manager

JLS/mbf  
Enc.

Agenda # 5 F. 261

Comm. from Harvey J. Beth, Director of  
Accounts at the State Department of Revenue  
relative to the School Departments request  
for \$919,000 in excess of appropriation.

In City Council,

June 16, 1980

*- Placed on File -*