



Board of Director's Policy Operational Services 800 Series

Policy # 800.16

Accounting and Audits

The School District's accounting and audit services shall comply with the Requirements for Accounting, Budgeting, Financial Reporting, and Auditing, as adopted by the Illinois State Board of Education, State and federal laws and regulations, and generally accepted accounting principles. Determination of liabilities and assets, prioritization of expenditures of governmental funds, and provisions for accounting disclosures shall be made in accordance with government accounting standards as directed by the auditor designated by the Board. The Executive Director, in addition to other assigned financial responsibilities, shall report monthly on the District's financial performance, both income and expense, in relation to the financial plan represented in the budget.

Annual Audit

At the close of each fiscal year, the Executive Director shall arrange an audit of the District funds, accounts, statements, and other financial matters. The audit shall be performed by an independent certified public accountant designated by the Board and be conducted in conformance with prescribed standards and legal requirements. A complete and detailed written audit report shall be provided to each Board member and to the Executive Director. The Board will periodically advertise a request for proposals to perform the external audit

Annual Financial Report

The Executive Director or designee shall annually prepare and submit the Annual Financial Report on a timely basis using the form adopted by the Illinois State Board of Education. The Executive Director shall review and discuss the Annual Financial Report with the Board before it is submitted.

The Executive Director shall annually, on or before December 1 submit an the final audit report to the Charter Authorizer, the Bond Holder , ISBE and post a copy to the schools website.

Disposition of District Property

The Executive Director or designee shall notify the Board, as necessary, of the following so that the Board may consider its disposition: (1) District personal property (property other than buildings and land) that is no longer needed for school purposes, and (2) school site, building, or other real estate that is unnecessary, unsuitable, or inconvenient. Notwithstanding the above, the Executive Director or designee may unilaterally dispose of worthless personal property.

Controls for Revolving Funds and Petty Cash

Revolving funds and the petty cash system are established in Board policy *Payment Procedures*. The Executive Director shall: (1) designate a custodian for each revolving fund and petty cash fund, and (2) maintain the funds in compliance with this policy, State law, and Illinois State Board of Education rules. A check for the petty cash fund may be drawn payable to the designated petty cash custodian. Bank accounts for revolving funds are limited to a maximum balance of \$500.00. All expenditures from these bank accounts must be directly related to the purpose for which the account was established and supported with documentation, including signed invoices or receipts. All deposits into these bank accounts must be accompanied with a clear description of their intended purpose.

Control Requirements for Checks

The Board must approve all bank accounts opened or established in the District's or a District school's name or with the District's Federal Employer Identification Number. Two of the following individuals, the Executive Director, the Deans , the Director of Special Education and/or Board President, shall sign all checks issued by the School District.

Internal Controls

The Executive Director is primarily responsible for establishing and implementing a system of internal controls for safeguarding the District's financial condition; the Board, however, will oversee these safeguards. The control objectives are to ensure efficient business and financial practices, reliable financial reporting, and compliance with State law and Board policies, and to prevent losses from fraud, employee error, misrepresentation by third parties, or imprudent employee action.

LEGAL REF.:

105 ILCS 5/2-3.27, 5/2-3.28, 5/3-7, 5/3-15.1, 5/5-22, 5/10-21.4, 5/10-20.19, 5/10-22.8 and 5/17-1 et seq.
23 Ill.Admin.Code Part 100.

ADOPTED: November 2016