

Operational Services

Accounting and Audits

SASED'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, and 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 or designee, in addition to other assigned financial responsibilities, shall report monthly on SASED'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 or designee shall arrange an audit of SASED funds, accounts, statements, and other financial matters. The audit shall be performed by an independent certified public accountant designated by the Board of Control 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 Executive Director shall annually, on or before October 15, unless an extension of time is granted, submit an original and one copy of the audit to the Regional Superintendent of Schools.

SASED 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 of Control before it is submitted.

Inventories

The Executive Director or designee is responsible for establishing and maintaining accurate inventory records. The inventory record of supplies and equipment shall include a description of each item, quantity, location, purchase date, and cost or estimated replacement cost.

Disposition of SASED Property

The Executive Director or designee shall notify the Board of Control, as necessary, of the following so that the Board may consider its disposition: (1) SASED 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 personal property of a diminutive value.

Taxable Fringe Benefits

The Executive Director or designee shall: (1) require that all use of SASED property or equipment by employees is for the SASED's convenience and best interests unless it is a Board of Control-approved fringe benefit, and (2) ensure compliance with the Internal Revenue Service regulations regarding when to report an employee's personal use of SASED property or equipment as taxable compensation.

Controls for Revolving Funds and Petty Cash

Revolving funds and the petty cash system are established in Board of Control policy 4:50, *Payment Procedures*. The Executive Director shall: (1) designate a custodian for each revolving fund and petty cash fund, (2) obtain a bond for each fund custodian, and (3) 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. Each revolving fund shall be maintained in a bank that has been approved by the Board and established in an amount approved by the Executive Director consistent with the annual budget. 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. The Executive Director or designee shall include checks written to reimburse revolving funds on the Board's monthly listing of bills indicating the recipient and including an explanation.

Control Requirements for Checks

The Board of Control must approve all bank accounts opened or established in SASSED's or a SASSED school's name or with SASSED's Federal Employer Identification Number. All checks issued by SASSED must be signed by either the Treasurer or Board of Control Chairperson, except that checks from an account containing student activity funds and revolving accounts may be signed by the respective account custodian.

Internal Controls

The Executive Director or designee is primarily responsible for establishing and implementing a system of internal controls for safeguarding SASSED's financial condition; the Board of Control, 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.

The Executive Director or designee shall annually audit SASSED's financial and business operations for compliance with established internal controls and provide the results to the Board of Control. The Board may from time-to-time engage a third-party to audit internal controls in addition to the annual audit.

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, 5/10-2.8, and 5/17-1 et seq.
23 Ill.Admin.Code Part 100.

CROSS REF.: 4:10 (Fiscal and Business Management), 4:50 (Payment Procedures), 4:55 (Use of Credit and Procurement Cards), 4:90 (Activity Funds)

ADOPTED: December 2007

REVISED: April 22, 2009

UPDATED: October 26, 2016