

Operational Services

Accounting and Audits

The Cooperative's accounting and audit services shall comply with the Illinois Program Accounting Manual, as adopted by the Illinois State Board of Education, and State law. The Executive Director, in addition to other assigned financial responsibilities, shall report monthly on the Cooperative'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 Cooperative funds, accounts, statements, and other financial matters. The audit shall be performed by an independent certified public accountant designated by the Operational Board and be conducted in conformance with prescribed standards and legal requirements. A complete and detailed written audit report shall be provided to each Operational Board member, the Executive Director, and the DuPage Regional Office of Education.

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 Operational Board before it is submitted.

Inventories

The Executive Director or designee is responsible for establishing and maintaining accurate inventory records that, at a minimum, comply with the Illinois Program Accounting Manual. 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 District Property

The Executive Director or designee shall notify the Operational Board, as necessary, of the following so that the Operational Board may consider its disposition: (1) Cooperative 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 diminutive value.

Controls for Revolving Funds and Petty Cash

Revolving funds and the petty cash system are established in Board 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. 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. The Executive Director or designee shall include checks written to reimburse revolving funds on the Operational Board's monthly listing of bills indicating the recipient and including an explanation.

Control Requirements for Checks

The Operational Board must approve all bank accounts opened or established in the Cooperative's or a Cooperative school's name or with the Cooperative's Federal Employer Identification Number. All checks issued by the Cooperative must be signed by both the Treasurer and Executive Director.

Internal Controls

The Executive Director is primarily responsible for establishing and implementing a system of internal controls for safeguarding the Cooperative's financial condition; the Operational 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.

The Executive Director or designee shall annually audit the Cooperative's financial and business operations for compliance with established internal controls and provide the results to the Operational Board. The Operational 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, 5/10-22.8, 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)

Adopted: 5/8/2000

Revised: 5/11/2009