

Edwardsville Township
Financial Services Committee

December 17, 2013
3:00 p.m.

AGENDA

1. Welcome and Introductions
 - a. Updated Committee Contact List
 - b. Overview of Edwardsville Township
2. Committee Objectives
 - a. Review of Current Financial Policies/Procedures
 - i. 2012-2013 Audit
 - ii. Payroll Procedure
 - iii. Accounts Payable Procedure
 - iv. Separation of Duties – disbursements, bank reconciliations, and financial reporting
 - v. Financial Software
 - vi. Audit Procedure
 - b. Create New Policies/Procedures
 - i. Petty Cash Policy – set limits on what can be held, procedures for expenditures
 - ii. Fund Balance Policy – establishing minimum levels for cash flow
 - iii. Capital Asset Policy – recordkeeping of capital assets
 - iv. Investment Policy – internal controls for cash and investment related transactions
 - v. Credit Card Use and Access
3. Committee Plan of Work
4. Next Committee Meeting

Current Payroll Procedure

1. Bookkeeper receives time from employees/supervisors.
2. Bookkeeper administers payroll through financial software and provides the Administrative Assistant with reports to review.
3. Bookkeeper initiates ACH transfers for payroll, federal and state withholdings, state unemployment insurance, and pension payments.
4. Bookkeeper files bi-monthly and monthly wage reports online for withholdings, unemployment insurance, and pension.
5. Bookkeeper files quarterly federal and state 941 reports.
6. Bookkeeper prepares employee W-2 reports.

Current Accounts Payable Procedure

1. Administrative Assistance opens bills and reviews charges.
2. Bills are approved by signature by the Supervisor, Assessor, or Highway Commissioner.
3. Bookkeeper prepares checks.
4. Supervisor signs checks.
5. Administrative Assistant mails checks.
6. Bookkeeper files documentation.
7. Bookkeeper prepares list of expenditures made for board approval.

Needed Policy/Procedures

Township Board must examine and audit township and road district bills before they are paid. 60 ILCS 1/80-10, 80-15.

- Except general assistance, wages, social security taxes
- Approval to pay bills in between meetings – below a dollar amount or type of bill (utility)

Townships must comply with the Local Government Prompt Payment Act. 50 ILCS 505/1

- All bills must be approved or disapproved within 30 days after the goods/services are received or the invoice is received.
- All bills must be paid within 30 days after approval.

Separation of Duties

Administrative Assistant

- opens payments and reviews charges, mails payments
- reviews payroll
- opens bank statements and reviews check images

Bookkeeper

- prepares payments for approval and payment, files documentation
- reconciles bank accounts

Supervisor

- approves and signs payments
- #### Assessor
- approves payments

Highway Commissioner

- approves payments

F. Annual Audit

All accounts audited (including those rejected) shall be delivered with the certificate of the majority of the trustees to the township clerk, who shall keep them on file for inspection by inhabitants of the township. They shall also be produced and read by the township clerk at the next annual meeting. 60 ILCS 1/80-20.

If a township receives revenue equal to or in excess of \$850,000 during the fiscal year (exclusive of road funds), the township board shall have the accounts and records thoroughly audited by a Certified Public Accountant within 6 months of the close of the fiscal year. A copy of the accountant's record and report must be filed with both the township and county clerk for inspection. In townships receiving revenue less than \$850,000 during the fiscal year (excluding road funds), the township board shall have the accounts and records audited and inspected by an independent auditing committee comprised of 3 township electors chosen by the township board. This audit shall be completed within 6 months of the close of the fiscal year, and a copy of the report and recommendations must be filed with both the township and county clerk for public inspection. This committee may not contain any member of the township board, nor a relative of a township trustee. The committee members should be proficient in accounting and shall be compensated at a rate determined by the board, but not to exceed \$50 per day. In the event of the end of a term of office or vacancy in the office of the supervisor, townships with less than \$850,000 in revenue must have its accounts and records audited by a CPA within six months of that event, as if it were a township with revenues over \$850,000. A copy of the accountant's report and recommendations shall be filed with the township clerk and another copy shall be filed with the county clerk for public inspection. 60 ILCS 1/80-20.

H.) Petty Cash Policy

East Bay Charter Township
Petty Cash Policy

The treasurer shall maintain petty cash for small emergency purchases, reimbursements to employees, to pay for a service where payment is demanded prior to delivery and to make change for charges, sales and tax/special assessment payments at the township office.

Petty cash will not be used for purchases that exceed \$25.00. An employee may request up to \$25.00 to make a purchase. They will need to sign a petty cash request receipt (Exhibit A) upon request and then return the receipt from the purchase and any difference. Receipts from purchase should be attached to the request form. This will be noted on the petty cash request receipt and kept for use when the petty cash is replenished.

The amount of petty cash to be retained for the general fund shall be \$ 200.00. The amount of petty cash to be retained for the Property Tax fund shall be \$ 200.00.

The petty cash may be replenished prior to board approval as a pre-approved vendor by completing a Purchase Order with copies of the signed receipts attached.

Petty Cash Request Receipt

Date: _____

Person Requesting the Petty Cash: _____

Amount Requested: _____

Person filling the petty cash request: _____

Signature of Requester

Items Purchased: _____

Amount disbursed: _____

Total of Receipts: _____

Difference Returned: _____

Initials of who verified receipts: _____