

Fiscal Procedures

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Procedures for Accounts Payable Files

The following procedure is to be used for filing of invoices, payments, and credit card statements.

Accounts Payable Files

Once bills have been paid for the week, they are to be filed on a consistent manner. All backup including purchase order, invoices, and a copy of the check will be scanned to the Finance Manager. The Finance Manager will create a running file of all bills paid for the entire year. This file is to be shared with all employees to use as a way to confirm something was paid. The same procedure should be followed for refunds and credit card statements.

Procedures for Accounts Payable Year-End Reporting

The following procedure is to be used for review and processing of year-end information in Accounts Payable.

Year End Reporting For Accounts Payable

Before the first checks are cut for the New Year, the Accounts Payable clerk will close out the fiscal year in MSI. This will create a 1099 edit file that the clerk will review to ensure those vendors are receiving 1099s that should. If there are any updates the clerk will process those. Once accurate, the clerk will create the 1099s and print them out and mail. The clerk will then send the information to the IRS before the end of February each year. After these are completed a new fiscal year will be created in the AP module.

Procedures for Approving Purchase Orders

The following procedure gives the process for review, approval, and creation of purchase orders in MSI.

Approving Purchase Orders

The Director of Finance, or their designee, is responsible for the review, approval, and creation of purchase orders in MSI. At minimum once daily before 10 a.m., the Director of Finance will log in and review and approve P.O.'s. The review of purchase orders is done primarily to ensure the following things:

- The purchase being made is within the budget given for the program
- The description given accurately reflects the purchase itself
- The account being used to purchase the item reflects what is being purchased

- The individual requesting the purchase has put all relevant information into the system (type code, notes, etc.)

Once these are reviewed and agreed, the Director of Finance will approve the items. If necessary, the purchase order will go up the approval chain or will be ready to be created in the system. When all purchase orders are approved they will be created in the system. The employee responsible for the purchase will receive an email once the purchase order is created. If a purchase order is denied, the employee will also be notified.

Procedures for Annual Audit

The following procedure gives the process for preparation for the annual audit, fieldwork, draft and MD&A completion, and legal reporting requirements.

Annual Audit

Prep Work for the Audit

At the end of the fiscal year, the Director of Finance will contact the District's auditing firm to set up an entrance conference. After the entrance conference, the Finance Manager will complete auditor confirm letters to be sent to the District's banking relationships, attorney's, and taxing collection bodies. The Finance Manager will complete all preliminary working papers the auditors request prior to fieldwork. This includes but is not limited to accounts payable accruals, payroll accruals, prepaid expenses, deferred program and rental revenue, compensated absences, and any other information requested by the auditors. The trial balance on the general ledger must be balanced prior to the auditor's fieldwork being completed. It is the department's goal to have all entries completed prior to audit fieldwork.

Audit Fieldwork

For the one to two week period the District's auditors are onsite for fieldwork all department staff shall be available to assist and answer any questions the auditors may have. All information given to the auditors prior to and during fieldwork must be in an electronic format. The Finance Manager must be available to troubleshoot any issues and facilitate the audit process.

Draft Review and Certificate Program

Once the auditors provide a draft of the audit, the Director of Finance and the Finance Manager will review the entire draft to confirm the information is being presented consistently year over year. If there are issues, staff must follow up and get the issues addressed. As part of this process, the Director of Finance will write the transmittal letter and the Finance Manager will write the Management Discussion and Analysis. Staff will also work with the auditors to facilitate the process of going for the Certificate of Achievement in Financial Reporting (CAFR).

Legal Filing Requirements

Once the audit is completed the Finance Manager in conjunction with the Director of Finance will follow all legal requirements associated with the annual audit. These filings include:

- File a copy of the CAFR with the County Clerk's office
- Complete the debt disclosure information on the Cook County Treasurer's Website
- Complete the EMMA Continuing Disclosure on the MSRB site for our debt obligations.
- Complete the Treasurer's Report and post notice of its availability in the Wednesday Journal newspaper.
- Complete the expense summary for PDRMA and return to PDRMA.
- Complete the paperwork the Government Finance Officers Association (GFOA) certificate program.

Procedures for Bank Reconciliation

The following procedure gives the process for bank statement review, calculation of deposits in transit and outstanding checks, comparison to the general ledger, and adjusting entries and check write offs.

Bank Reconciliation

Bank Statement Review

At the beginning of each month, the Finance Manager will pull all bank statements for the District and review for any unexplainable issues. If those issues arise, the manager will report those to the Director of Finance and examine further to decide the best course of action.

Calculation of Deposits in Transit and Outstanding Checks

The amount of deposits in transit and outstanding checks are to be calculated as soon as possible into the next month. These must be completed before starting the bank reconciliation. The Finance Manager will print off the check register from Community Bank for both the AP and Payroll checks and give those to the Payroll Clerk. The Payroll Clerk will review and clear the checks and calculate the outstanding checks and provide back up to the Finance Manager.

The calculation of deposits is completed by reviewing the credit card account bank statements with a credit card report from RecTrac. Normally there is a three day delay in when the District takes in credit cards and when the District receives the money into the credit card account. American Express can be delayed up to four days. The merchant services cut off time for transactions are 2:00 am so there can be overlap because of this.

Bank Reconciliation

An excel template for bank reconciliation is set up and on the shared department drive. Enter the bank balances in the approved columns. Using relativity, populate all transactions on the GL for the month. Enter the transactions by type in the spreadsheet to compare GL transactions to bank transaction. The spreadsheet is linked to a master sheet that will compare overall balances to overall bank balances. These are to be completed by the end of the following month and any major issues are to be reported to

the Director of Finance.

Adjusting Entries/Check Write Off

If there are discrepancies with the GL that are able to be discovered the Finance Manager will complete journal entries to correct them. These entries are to be signed by the Director of Finance prior to be posted to the general ledger.

Once a District check becomes over six months old, the check to be written in compliance with Illinois law. The Finance Manager will also send a letter to the owner of the check offering to reissue the check. This is to be completed at the end of each bank reconciliation.

Procedures for Budget Process

The following procedure is to be followed when creating the annual budget.

Budget Process

Preliminary Budget Work

The Director of Finance and Finance Manager are responsible for the preliminary work related to the budget. At approximately May of each year, they will formulate the budget calendar. This calendar must include important dates for all aspects of the budget process as well as the legal filing deadlines. At this same time, the Director of Finance and Finance Manager will work on the budget guidelines. These guidelines include guidance on costs increases for the coming year as well as the percentage fee increase for each program to continue the District's operations. All of this information is provided to the board prior to the budget process beginning, and then distributed to staff

Budget Goals Process

Employees are required to create budget-related goals each year for each budget area. This process also includes evaluating the outcomes of the previous year's goals. This process usually begins in July and is reviewed throughout the budget process by the Director of Finance and Executive Director. These goals are to be measurable and should be tied to the District's strategic initiatives and performance goals for those employees. Meetings will be held with each supervisor to review and discuss their area's and how they scored their progress on their goals.

Budget Document Creation

Each staff member is responsible for entering a majority of their budgets related to the area they oversee. Business Operations is responsible for entering items including full-time wages, utilities, bank fees, etc. This information is provided to staff as part of the budget guidelines. After all information is entered into the District's financial software (MSI) meetings will be held with supervisors and the Executive Director, Director of Finance, and Finance Manager. The Finance Manager is responsible for compiling all information and assembling into the budget documents into the form the District uses to

attempt to get the Government Finance Officer's (GFOA) Budget Award each year. The working budget will be presented to the board at two meetings. These meetings are split as Administration and Historic Properties and then a second meeting dealing with Recreation and Revenue Facilities.

Budget and Appropriation Ordinance

The Park District completes the working budget which is the baseline staff uses when making purchasing decisions in that given year. However, the Park District is subject to the budget and appropriation act under the Park District Code (70 ILCS 1205). This act requires the District will approve a budget and appropriation ordinance before the beginning of the fiscal year. The code also requires the District place the budget and appropriations ordinance on the table for public display 30 days prior to the public on the ordinance. This public hearing on this ordinance occurs at the Committee of the Whole Meeting in November. As a matter of practice the District approves the budget and appropriation ordinance at the November Regular Board Meeting. This ordinance once approved by the Board of Commissioners must be filed with the Cook County Clerk's Office no later than the last Tuesday of the fiscal year. When filing make sure to receive a filing certificate and place the ordinance and filing certificate in the binder in the Business Office for tracking purposes.

In formulating the budget and appropriation ordinance, the District must appropriate amounts the District can legally spend. In an attempt to give some financial flexibility, it has been the practice to increase each line item in the budget and appropriation ordinance by a minimum of 10% from the working budget. Staff however has the understanding they are to work within the working budget and this is to provide flexibility on how exactly the money is spent.

Final Steps

Final approved budgets are to be distributed to staff before the beginning of the fiscal year. The budget information is to be imported into the newly created fiscal year in the General Ledger module before the beginning of the new fiscal year. The Park District currently puts in an application for the GFOA Budget Award. The application for this award is due to GFOA no later than 90 days after the passage of the budget by the board.

Procedures for Bidding of Products and Services

The following procedure gives the process for creation, implementation, and final review and acceptance of a legal bid.

Bidding for Products and Services

Creation of Legal Bid

When the Park District is procuring products or services that in total, by product or service type, exceed \$20,000 in a fiscal year, that product or service must be legally bid. The creation of a legal bid must be completed through the Business Operations Department which is responsible for confirming that all bids follow legal requirements and meet Park District standards.

The Finance Manager will work with the employee to craft the scope to ensure the Park District will receive the desired product or service in the format they want as well making sure the language is tight enough to ensure quality bids on the project. Once the bid specifications are written, the Finance Manager will send a legal notice to the local paper of record one week prior to the bid window opening. All Park District bids will be placed online using the Park District's RFP/Bid tool which requires a users to register (and make themselves known) in order to receive the bid documents. This will be placed online the morning the bid window opens.

Bidding Process

When the bid window is open, staff shall adhere to the following guidelines:

- All requests for the bid packets must be done online to ensure all bidders and their contract information are captured.
- Any answers to questions from one bidder or clarifications made by the Park District must be issued as addendums to all bidders of record to ensure no one is given an unfair advantage over the group. All addendums must be sent out to all bidders of record and incorporated into the documents online for future bidders to view.
- Depending on the scope of the project, a pre-bid walk-through may be necessary on capital construction projects to give clarification to bidders.
- No bids should be opened before the designated time on the bid documents.

Bid Review

On the day of the bid opening, either the Director of Finance or Finance Manager must attend the bid opening with assistance of the employee responsible for the bid. Each bid must be read aloud and tabulated for future use. Bidders may review the bids at that meeting or request to do so in the future.

Once all the bids are opened, staff will determine the lowest bidder based solely on the base bid. Mixing of alternates together to get a desired contractor is not allowed by state law. Once the lowest cost bidder is decided, the Director of Finance and Finance Manager will work with the individual responsible for the bid to determine if the firm is a responsible and responsive bidder.

References should be checked and work history should be examined. Staff must also review the required bid documents to ensure full completion. If the documents are not fully completed, that firm should be excluded. If the firm has completed all necessary bid documents and is found to be responsible and responsive, the bid will be brought to the Board of Commissioners for a vote to accept or decline the contract.

Procedures for Bill Payment

The following procedure is to be used to pay an invoice.

Bill Payment

Bills are paid on a weekly basis by the Accounts Payable Assistant. Bills must be received by 5:00pm on Tuesday of each week to be paid at the end of that same week. Bills submitted later in the week will be paid the following week.

For a bill to be paid, it must include all relevant back-up materials including an approved purchase order, invoice, or contract. The Accounts Payable Assistant will review all supporting documents to ensure compliance and enter them into the Park District's accounting software Accounts Payable module. Once entered, the check register is forwarded to the Executive Director, Finance Director, and Finance Manager (or their designee) for approval. Once approved, the payments are processed and checks mailed to the vendors.

Procedures for Cash Handling

The following procedures are to be followed by all Park District staff that are part of the cash handling chain for the agency.

Cash Handling

Separation of Duties

Cash handling responsibilities should be designed in a way that balances the need for segregation of duties with the Park District's limited staff and financial resources. Whenever possible, the Park District will require duties to be segregated so as to avoid having the same individual who collects or handles cash also be responsible for the reconciliation and depositing of cash. Additionally, those individuals who are responsible for payment of staff and vendors must not also have the ability to approve any payments and vice versa. The Park District will strive to best separate these and other types of duties to different employees as long as it is financially and operationally feasible.

Cash Handling System Procedures

All Park District locations that handle cash or equivalents including but not limited to cash, coins, checks, credit cards, money orders, etc. must abide by the following procedures.

- Each morning before operations begin at the location, two (2) individuals will count the banks. A log will be kept at each location to show who counted the banks each morning.
- After the amounts are verified, the banks will be distributed to staff prior to the start of their shift.
- At the end of an employee's shift, they will be responsible for counting their drawer by separating out the amount of the bank they originally received and then counting the remaining money. This amount must be verified against the end of day cash batch for each employee.
- The employee as well as a supervisor must then sign off on the cash batch before that employee

clocks out for the day. Any discrepancies must be documented and explained.

- The batch and the cash and check envelopes must be put in the drop safe.
- Any adjusting entries are handled by management the next morning. After verifying all the batches, the batches must be brought over daily to John Hedges Administrative Center for reconciliation and depositing at the bank.

Cash Reconciliation Process

On a daily basis, the Finance Manager pulls up all daily receipts from the drawer up front at the John Hedges Administrative Center. The Finance Manager matches all envelopes with the RecTrac batches and forwards the check envelopes with a balancing sheet to Customer Service staff to scan the checks into the remote scanner. The cash envelopes are put on a balancing sheet and put into a safe for counting when the amount collected grows to a pre-specified amount. Once this amount is reached, the Finance Manager forwards the cash envelopes and balancing sheet to the Accounts Payable Clerk to count and verify. Any discrepancies are reported to the Director of Finance immediately. Once counted, the cash bag is given to the Director of Finance for depositing in the bank.

Financial Statement Preparation

Monthly financial statements are to be completed no later than the middle of following month. The Finance Manager is responsible for the preparation of the financial statements. These statements include cash and investment summary, revenue and expense report, and a subclass report. As part of this process, the Finance Manager will review bank statements and complete a bank reconciliation to ensure there are no unknown transactions on the bank statements or the Park District's balance sheet. After completion of the financial statements, the Director of Finance and the Executive Director review them to ensure accuracy. The financial reports are presented to the board at each month's Board Meeting and included in their board packet. On a yearly basis, the Park District's auditors present the annual financial report to the Board.

Conducting of Internal Audits

On a regular, but not defined basis, the Accounts Payable Assistant will go to a point of sale location to do an internal audit of a cash drawer. The Assistant will provide the employee with proper identification (photo ID) and ask to count the drawer. The employee will batch out and the Assistant will count the drawer. Once their count is complete, the Assistant will also have the employee count to verify the amount. If the amounts match the batch, the Assistant will report back as such. If there is a discrepancy, it is to be reported to the Director of Finance for investigation and the employee is to receive a reprimand from their immediate supervisor. If continued issues are found on further investigations, discipline will escalate. All Park District locations are to be reviewed at least once per year.

Positions Authorized to Receive Funds

The following positions are allowed to receive funds to be deposited:

- Customer Service Representatives
- Customer Service Coordinator
- Customer Service Manager
- Finance Manager (only for coding purposes and not to process)

Positions Authorized to Disburse

The following positions are allowed to disburse funds to be deposited:

- Executive Director
- Director of Finance
- Finance Manager
- Accounts Payable Assistant (with proper authority given from three above)
- Payroll Assistant (with proper authority from the first three positions)

Procedure for Credit Card Setup

The following procedure is to be used when requesting a new card to be issued for an employee, processing the request, and distributing the card.

Setting Up a Credit Card

Requesting a Credit Card

Most full-time and some select part-time employees are to be issued District issued credit cards for purchases. To request a card, a supervisor must get approval from their direct supervisor to get a credit card for their employee. Once approval is received, the employee must email the Finance Manager with the employee's name and employee number to get a card issued. This email should carbon copy (CC) their supervisor on.

Processing the Credit Card Request

The Finance Manager will go through the PNC Bank online administrative account to request a card for a new employee. The information included in the request will be the employee's name, their employee number in place of the last four of their social security number, and the District's main line 708-725-2000 as the phone number. The limit given depends on the individual's position and demands of the position. However the limit structure generally is:

- \$500.00 for part-time seasonal employees
- \$800.00 for front-line staff including gymnastics, buildings and grounds
- \$1000.00 for supervisors
- \$2500.00 for managers
- \$20,000.00 for superintendents and the Executive Director.

Distributing and Setting up Account

Once the card is received the Finance Manager will log onto the PNC system to activate the card. The supervisor of the employee will then be notified the card has arrived. The employee must come to the Business Operations Department to sign the credit card policy and get instructions on using their card. The individual employee is responsible for security of their card as well as setting up their online account and doing monthly statement reconciliation.

Procedure for Daily Cash Receipts

The following procedure is to be followed by staff who review, reconcile, and post the daily cash receipts to the general ledger module.

Daily Cash Receipts Processing

Reconciliation of Daily Cash Receipts

As RecTrac batches are brought to the John Hedges Administration Building, the Finance Manager will confirm the checks and cash amounts received match the batch amounts. Once that is completed, all the batches for a given day will be compiled together and forwarded onto the payroll clerk to reconcile each day. The Payroll Clerk will run three reports (summary gl distribution, cash journal, and credit card report). These three reports will be compared and entered onto a reconciliation spreadsheet to make sure all the batches for the day total to these reports. Any issues will be addressed prior the completion of the reconciliation. Once in balance, the daily cash receipt will be forwarded to the Finance Manager for review and the upload file from the RecTrac software will be created.

Posting of Daily Cash Receipts

The Finance Manager will review the daily cash receipt and confirm that it is in balance. Once done, the Finance Manager will import the file from the M: drive into MSI, the District's financial software. The file that is created will be reviewed to ensure it matches the amount from the batch reconciliation from RecTrac. If accurate, the cash receipt general ledger report will be printed. This report will be matched up with the original balanced amount to ensure it matches. If it does, the cash receipt will be posted to the general ledger. Random spot checks will occur throughout the year to eliminate any coding issues. All of these general ledger reports are created as pdfs and stored on the O: drive. These postings are given to the auditors yearly during the audit process.

Procedure for Facility Fees and Pricing

The following procedure gives the process for requesting emergency or supplemental appropriations during a given fiscal year.

Supplemental/Emergency Appropriations

The District formally adopts an annual budget and appropriation ordinance. Normally, the District increases the amounts that be spent out of individual line items by 15% from the working budget to proactively allow for changing conditions that could not be known at the time of implementation. If an emergency or supplemental appropriation is needed to continue operations, there are two available options. If another line item is not going to use its full allotment, a formal budget transfer can be requested to the department head, Finance Director, and Executive Director. If the scope of the need is much larger than can be found somewhere else in the budget, staff must request a budget amendment with the Board of Commissioners. By state statute, any budget amendments must follow the same procedures used when adopting the budget and appropriation ordinance. The amendment must be filed with the Cook County Clerks office.

Pricing Level	Who Benefits from These Services?	Who Pays for These Services?	Program, Facility, & Service Examples	Cost Recovery Guidelines
Level 5	Mostly Individual Participant Benefit	Individual Participants	Private Facility Rentals Elite Diving Teams Golf Lessons	Services should be priced to recover all direct and indirect costs in addition to at least a 40% profit to contribute to the Park District's Capital Improvement Program
Level 4	Considerable Individual Participant Benefit with Some Community Benefit	Individual Participants	Specialty Classes Competitive Sports Outdoor Adventure	Services should be priced to recover full costs, including all direct and indirect expenses
Level 3	Both Individual Participant and Community Benefit	Individual Participants and Community	Recreational Day Camps Recreational Sports Swim Team	Services should be priced to recover full direct expenses as well as at least an additional 30% to cover a portion of the indirect expenses
Level 2	Considerable Community Benefit With Some Individual Participant Benefit	Individual Participants and Community	Introductory Skill Classes Swim Lessons	Services should be priced to recover full direct expenses as well as at least an additional 15% to cover a portion of the indirect expenses
Level 1	Mostly Community Benefit	Community	Concerts in the Park Outdoor Basketball Courts Teen Center	Minimal or zero cost recovery

While the distinctions between the different levels are based on those that benefit from the service, the Park District also recognizes that other factors may also come into play when determining which level a facility or program should be designated at or ultimately where prices should be set. For example:

- Are we targeting certain populations? Their services may fall at a lower level than similar programs designed for the general population.
- Is the service available to everyone equally? Is participation or eligibility restricted (by age, ability, skill, financial factors, etc.)? For example more competitive programs would fall to higher levels.
- What is the community's demand for these services and what are they willing to pay based on current market conditions? Are the services available elsewhere?
- What is the perceived social value of the service by the residents, staff, and board?
- What is the intensity or commitment level of the program? Drop-in participation generally places a service at a lower level while programs requiring more commitment fall to higher levels.
- Is it a tried and true program or a trend or fad?
- What is the anticipated impact of the service on existing resources? On other users? On the environment? What is the anticipated impact of not providing the service?
- Are there historical expectations attached to this service?
- Is it the Park District's responsibility or obligation to provide this service based upon the mission, legal mandate, or other obligation or requirement?

Important Notes Regarding Facility & Program Fees

- Fees should not become a barrier for participation or a method of excluding any resident of the Park District. Scholarship or fee reduction programs will be available to any resident that proves financial hardship for any program or facility regardless of the amount of tax support the program or facility receives.
- Since non-residents of the Park District do not support the District through taxes, they should pay an additional fee to assist with costs associated with indirect, facility maintenance and development, and program development expenses for those facilities and programs receiving tax assistance. These non-resident fees should be equal to 1.5 times the resident rate for programs and services. When determining pricing for facilities and programs not funded by any tax dollars, non-resident fees may be partially or fully waived unless overuse by non-residents routinely prevents residents from participating.
- The Park District may develop special pricing strategies including differential fees for different types of organizations, different times of the year, incentives to increase participation or encourage early registration, as well as group, repeat business, or multiple family member discounts.
- Program supervisors may prorate fees if a person wishes to participate in a program after the first class of a program and the desired outcome of the program does not depend on attending all classes, but are not required to do so. Facility fees are generally not prorated, but may instead

offer the aforementioned special pricing strategies such as discounted admission for entering the facility near closing or a summer-only version of an annual facility pass.

- Market pricing may dictate the cost of a program.

Definitions

- Direct Cost: These are costs that are directly attributed to an individual service and include: instructor salary, materials, transportation, admission fees, specific marketing costs, building rent in non-District owned facilities, etc.
- Indirect Cost: These are costs that can not be associated directly with an individual service but can be attributed to the delivery of that service or the location where the service is provided and include: supervision cost, utility cost of a specific building, building maintenance and cleaning, office and restroom supply costs, etc.

Procedure for Investment

The following procedure is to be used by the Business Operations Department when making investment decision for the District.

Investment

Investment decisions are a cooperative effort between the Director of Finance and Finance Manager. All investment changes require two signatures on the wire transfer form. Factors related to investment include duration, yield, risk, and cash needs. Any investment must be within the parameters of Illinois Statute and the District's investment policy. Staff must book these investments into the corresponding general ledger account and book interest as it is received. If collateral is required, the Finance Manager must keep this documentation and review regularly to ensure compliance. All investments are reported to the Board of Commissioners on a monthly basis.

Procedures for Emergency Purchases

The following procedure describes the process for staff to follow in the event of an emergency purchase and what criteria must be in place for it to be a true emergency.

Emergency Purchase Procedure

On rare occasions, need may arise for the Park District to make an emergency purchase.

Criteria for an Emergency

For a situation to be considered an emergency situation, the following criteria must be in place:

- Event must have been reasonably unforeseeable,
- Emergency must be actual or imminent,
- Not addressing the situation immediately would threaten public safety or would cause substantial loss to the Park District, and
- Cannot be a product of bad planning.

Emergency Purchasing Procedures

When an emergency arises that requires purchases outside of the guidelines included in the Park District's Procurement Policy, the following procedures apply:

- The purchase must be approved by the Executive Director.
- The need to get informal quotes is waived under these circumstances. However, staff is expected to find a low cost option whenever possible.
- If the need exceeds the minimum bid requirements as outlined in the Procurement Policy, the Executive Director shall inform of the Board of Commissioners of the need and a vote should be taken at a future meeting to retrospectively approve the purchase.

Procedures for Entering New Employees into Park District Systems

The following procedure is to be used to enter new employees into Park District systems (MSI, TimeClock Plus, and the Hub)

Entering An Employee Into Park District Systems

Completion of Employee Paperwork

Employees will not be entered into any Park District software package until all hiring paperwork and pre-employment screenings are completed and submitted to Human Resources.

a. Entering an Employee into The Hub. The HR Assistant is responsible for creating a "reader" account for all new employees in the HelpGizmo software (known as "The Hub"). Employees will be categorized as either full-time or part-time in order to determine permission levels. After being added, employees will receive an e-mail from the system to finish setting up their account, including choosing a password. After completing this step, the employee will have access to view The Hub.

b. Entering an Employee into MSI Payroll module. The Payroll Clerk is responsible for entering employees into the MSI Payroll module. New employees who have previously worked for the Park

District will be re-assigned to their original 4-digit employee number. New employees will be assigned a new 4-digit number using an alphabetic system based on the employee's last name. Through "Employee Maintenance," demographic information, tax information, insurance information (if applicable), voluntary deductions (if applicable), direct deposit information (if applicable), and pay codes that person will be working under are entered. All of this information must be completed prior to adding the employee to TimeClock Plus.

c. Entering an Employee into TimeClock Plus. Once an employee has been added to MSI and assigned an employee number, the Payroll Clerk may enter the employee in TimeClock Plus. Through the "Employee" section, employee information, demographic information, social security number (must be included for data to upload correctly), 4-digit employee number from MSI, and jobs are entered. Supervisors of the employee who may require access to review and approve the employee's timesheets and/or time-off requests should then be selected.

Procedures for Filing Federal and State Taxes (W-2)

The following procedure is to be used for completing the end of the year closeout period. Make sure to retrieve the check off list from MSI before starting the process.

Filing Federal And State Taxes

Preparation for W-2's

Before processing any of the end of the year reports, have IT perform a backup of the system. Put together the quarterly 941's into an excel format to get all the information for the entire year. Run the payroll register report for the entire year. Run the employee year to date report. Compare these two reports and compare those to the compiled 941s to your W-2 edit report. If those balance you can close out the fiscal year before the first payroll in January.

W-2 Editing

Review the W-2's to ensure they reflect accurately what was paid in that fiscal year. Edits may be required for the health insurance line item. Compare the monthly insurance information to what is printed on the W2. Make the appropriate changes. Once everything is accurate, upload the W2's to the Electronic Service portal which will also print the entire organizations W3. Compare the W3 to all the backup paper work. Once completed upload the W3REPORT.FED file from the PR1 folder in the M:drive to the Social Security website. Print off the confirmation from the site.

New Fiscal Year Creation

Under system in MSI create the new fiscal year. Review and update the tax table, health insurance rates, IMRF rate, and employee general codes if changes made in new budget year. Adjusting benefit time banks depending on the usage by an employee.

Procedure for Filing Bi-Weekly Federal and State Taxes

The following procedure gives the process for reviewing and processing of bi-weekly federal tax reporting.

Filing Federal And State Taxes

Bi-Weekly Federal Taxes

Take the deduction register and review the employer portion and compare that to the check that is printed by MSI. Fill out the tax payment worksheet and call the federal number to pay the taxes. Call and pay the federal taxes on the payday.

Monthly and Quarterly IDES Reporting

Run the monthly state unemployment report, make sure to pick monthly. For the quarterly, run it quarterly. Create the file, find the file in the custom folder and upload to the IDES tax net website.

Monthly Labor Statistics for the BLS

Pull the last deduction register at the end of the month to break out the number of employees and file with the BLS.

Quarterly 941 Reporting for Federal and State

Run the quarterly federal tax report and compare those to the bi-weekly deduction registers for the last quarter. Fill out the form and mail to the Feds and the state.

Procedures for Fixed Asset Booking and Controls

The following procedures give the process for staff to record district fixed assets and inventory to ensure control over those items.

Fixed Asset Booking and Controls

Fixed Asset Inventory Booking

Annually during the Park District's audit, the Finance Manager in conjunction with the Director of Finance will book all new fixed assets acquired by the Park District based on the District's fixed policy and eliminate any fixed assets sold or discarded by the Park District during the previous fiscal year. Any transfers of equipment from department to department must all be reported to Finance to be transferred.

Using AssetMaxx, software provided by the Park District's risk management agency PDRMA, all assets will also be reviewed to ensure they are up to date. If items are missing, they shall also be added at that time. Staff will also run a depreciation report to show the actual current value of all assets in the Park District's possession.

Fixed Asset Inventory Control

On a random basis, staff will conduct inspections to ensure all Park District's assets that are booked are still in the possession of the Park District. Any discrepancies will be reported to the Director of Finance. All vehicles and equipment must be included in the district's MicroMain software and must be inspected on a continual basis to ensure they are still in working condition and available to Park District staff. Logs must also be kept of who is using what equipment and vehicles.

Procedure for Invoice Creation

The following procedure is to be followed for requesting, processing, and tracking of invoices.

Invoice Creation

Requesting an Invoice

Any employee who needs to send an invoice to a vendor needs to email the Accounts Payable Assistant the firm/person's information and request through Customer Service a household for them to be set up in RecTrac.

Processing an Invoice

The Accounts Payable Assistant will enter all information about the vendor the invoice is being sent to. The information will be entered through the Point of Sale (POS) module in RecTrac. Each invoice must have a paycode assigned to it based on where the money when received will be put on the general ledger. After the information is entered, the Accounts Payable Assistant will create the invoice and forward it onto the requester to send to the vendor.

Tracking an Invoice

Every Friday a tracking sheet will automatically be created by RecTrac. That list will show all outstanding payments with days out. This list will be sent to all interested parties as well the Director of Finance and Finance Manager.

Procedure for Journal Entry Processing

The following procedure is to be used by all District staff that prepare, review, and post general ledger entries into the general ledger module.

Journal Entry Processing

Recurring Journal Entries

By the nature of the District's operations, there are recurring journal entries that the Finance Manager must complete. These journal entries are to be approved by the Director of Finance and have relevant back up including but not limited to bank statements showing the transaction, general ledger codes of mis-postings, wire information, etc. All of these are to be entered into the MSI General Ledger module and printed out and retained. This information is to be provided to the auditors when they come out for the yearly audit. Examples of these recurring journal entries include but are not limited to:

- Monthly bank fees (including credit card fees)
- Monthly FSA payments
- Budgeted transfers (capital transfers and insurance fund)
- Interest income from all banks
- Property tax collections from the County
- Cash reclassifications

Non-recurring Journal Entries

From time to time there will also be non-recurring journal entries. The process for entering those entries will be the exact same as the recurring entries. These entries may take more investigation work because they are not normally within the day to day operations. Examples of these entries include but are not limited to:

- Grants received by the District
- Miscoding or misposting to the general ledger
- CD or Investment Redemptions

Procedures for Monthly Financial Reports

The following procedure describes the processes needed for month-end journal entries and the creation of monthly financial reports for the Board of Commissioners and Park District staff.

Monthly Financial Reports

Month-End Journal Entries

The nature of the District's operations requires that some journal entries be completed on a monthly basis above and beyond the automated entries. These entries are to be completed as close to the beginning of the next month as possible. Common journals to be completed include:

- Credit Card Fees
- Bank Fees
- FSA Disbursements for Opt-Out Employees
- FSA Payment Made
- Interest Income
- Monthly proportion of transfers including capital and health insurance
- Property Tax Receipts
- Cash corrections to balance cash statement report

Board of Commissioners Monthly Financial Reports

The Park District Board receives four monthly reports to show the financial health of the Park District.

a. Cash Statement Report. This report shows all cash balances by fund as well all investments held by the Park District. This information is taken from the Park District's trial balance as well as investment statements.

b. Sub-Class Revenue Expense Report. This report shows what was received or spent by type (taxes, payroll, etc) by fund. This information is populated using the Park District's financial dashboards.

c. Revenue Expense Report. This shows the position of each department for the month, year, and previous year to date as well as a comparison to year-to-date budget. This information is populated using the Park District's financial dashboards.

d. Warrants and Bills Report. This report shows every bill paid for the current month, including the account paid out of and the vendor with a brief description of the bill. This information is created from the Park District's financial software.

All of these reports are to balance to each other and should only be provided for the Board packet once that occurs.

Staff Monthly Financial Reports

Once the month has been closed out, staff are informed and are required to review Park District's "Budget Area Detail" dashboard to report on their account performance. Staff must report on any item that is + or - 10% of the budget allocation at that point in the year. If an item is within 10% they do not need to report.

These reports from staff are due the Wednesday before each board meeting to the Finance Manager. The Finance Manager will report on major issues to the Director of Finance and the Executive Director in preparation for the monthly board meeting. Staff are expected to make adjustments to their operations based on these reports.

Procedures for Payroll Processing

The following procedures are to be used for payroll processing.

Payroll

Payroll is processed on a bi-weekly basis by the Payroll Assistant in consultation with the Finance Manager. All employee time must be entered into the Park District's electronic payroll system (Time Clock Plus) and approved through that system by the employee's direct supervisor. Supervisors must approve payroll by 2:00 pm on the Monday of a payroll week.

Once all time is approved, the Payroll Assistant create an upload file in Time Clock Plus to be uploaded into MSI. Once uploaded, the Payroll Assistant compare reports from Time Clock Plus and MSI to confirm that all information was uploaded correctly. If correct, the information is forwarded to the Finance Manager for approval.

Checks and direct deposit stubs are then created and uploaded into the Park District's Employee Service Portal (ESP). The Payroll Assistant send the direct deposit file to the Park District's bank service provider for deposit on the Friday of the payroll week. The Payroll Assistant is also responsible for the timely payment of federal and state income taxes, IMRF, and deferred compensation programs associated with payroll every two weeks.

Procedures for Petty Cash

The following procedure is to be followed for distributing and balancing petty cash.

Petty Cash

The Park District has one (1) petty cash location at the John Hedges Administration Building. Petty cash purchases and reimbursements are limited to \$35.00 or less. The Park District encourages all purchases to be made by Park District-issued procurement cards whenever possible, including for purchases larger than \$35.00.

Every petty cash reimbursement request must be directed towards the Finance Manager who will fill out a

reimbursement form and collect proof of purchase (receipts, registration form, etc.). Reimbursement will not be given without proof of purchase.

The bank of petty cash is to be balanced monthly to \$500.00 and replenishments are to be handled monthly through the Park District's bill paying procedures.

Procedures for Procurement Cards

The following procedure describes the process for proper use and reconciliation of a Park District provided procurement card.

Procurement Cards

Staff that are issued District procurement cards must follow the following use requirements:

- Products or services purchased must be for Park District purchases and must not be for personal use.
- Improper purchases (those of personal nature) must be reported to a direct supervisor immediately along with payment for the item. A misuse report must also be filled out by the supervisor and put in the employee's file.
- As a tax exempt entity, the Park District does not have to pay sales tax on purchases. It is the employee's responsibility to ensure that he/she is not paying tax.
- All purchases over an employee's spending authority must be approved in advance by their supervisor. This includes all purchases for cards issued to seasonal staff.
- Lost/stolen cards must be reported immediately to the Finance Manager.

Procurement Card Reconciliation

At the end of each billing cycle (normally around the 19th of each month), staff are responsible for reconciling their statements and attaching all invoices/receipts and purchase orders to their statements. These statements are to be signed by the employee as well as their direct supervisor. Statements missing information (including receipts) will be returned to the employee for completion.

Procedures for Procurement Card Reconciliation

The following procedure is to be followed for reviewing credit card statements and how they are processed to the general ledger.

P-Card Reconciliation And Processing

Reviewing Credit Card Statements

Each employee is responsible for reviewing and signing off on their credit card statements. Once approved by their supervisor, they will be returned to the Accounts Payable Clerk. The AP Clerk will

review all the statements to make sure all information is provided and prepare them for entry into the accounting software.

Processing on the General Ledger

The credit card batches are to be processed in the Accounts Payable module in a similar fashion to how check runs are processed. The Accounts Payable clerk will manually enter the transactions from the P.O.'s attached to each employee's statement. Once all have been entered, the clerk will confirm the amount matches with the bank statement amount. Credit card rebates will be run the batch as miscellaneous revenue in the corporate fund. One balanced, a check register (the district uses dummy check numbers for each transaction in the credit card batch) will be ran and forwarded onto the Executive Director, Director of Finance, and Finance Manager for review. The batch will posted once all approvals have been given.

Procedures for Reporting New Employees to the State of Illinois

The following is the procedures used by the Business Operations Department when reporting any new hire employees to the appropriate government entities.

Reporting of New Employees

The Payroll Assistant compiles a list of new employees to be reported to the Illinois Department of Employment Security (IDES). All new employees must be reported within one month of hire. The Payroll Assistant shall save a PDF of the reporting confirmation as proof of completion.

Procedure for Setting Up an MSI Account

The following procedure is to be used to set up an account for an employee as well as the spending limits in the system.

Setting Up An MSI Account

Account Set-Up

Employees that are responsible for purchasing or assist those employees that are responsible for purchasing will need to have individualized accounts set up in MSI. The access and limits associated with those accounts depend on that individual's role within the organization. These access limits are in place to ensure best internal controls practices. The following are the base line used for setting up accounts in MSI:

- Full Access: Director of Finance and Finance Manager
- Full Access to Payroll and AP Module: Payroll and Accounts Payable Clerk
- Requisition Entry and inquiry in all other modules: Rest of the staff

Purchase Order Module Approval Limits

The purchase order module allows the District to have managers electronically approve their employee's purchases. Each position category with the District has different spending authorities. Below are the spending authorities set out in system. Purchases made below these thresholds do not require supervisor approval. All purchases are approved by Business Operations.

- \$0.00 for part-time employees
- \$500.00 for supervisors
- \$1500.00 for managers
- \$5000.00 for superintendents
- Anything above \$5000.00 must be approved for the Executive Director.

Procedure for Setting Up A New Vendor

The following procedure is to be used for documentation requirements and creation of new vendors in the Accounts Payable module of MSI.

Setting Up A New Vendor

Necessary Documentation

For a new vendor to be set up the Accounts Payable Clerk must receive a completed and signed W-9 form for the vendor. Vendors will not be entered for those vendors the District does not receive a W-9. If the Accounts Payable Clerk receives an updated address for a company, the clerk will request a new W-9 from that vendor. W-9s the District received will be retained for three years and after that date will request an updated form from vendors will be used by the District.

Processing in MSI

Once receiving the W-9 the Accounts Payable Clerk will enter the vendor into the AP Module. The information on the vendor should be filled in as completely as possible (name, address, phone number, etc.). Most importantly the area listing the type of business must be filled out as this allows the system to automatically create 1099s.

Procedures for Supplemental/Emergency Appropriations

The following procedure describes the process for requesting emergency or supplemental appropriations during a given fiscal year.

Supplemental/Emergency Appropriations

The Park District formally adopts an annual budget and appropriation ordinance. Because conditions can change from the time that the budget was created until the end of the fiscal year, the Park District normally increases the amount that can be spent out of an individual line item by 15% from the working budget.

If an emergency or supplemental appropriation is needed to continue operations, there are two available options:

1. If another line item is not going to use its full allotment, a formal budget transfer request can be made to the Department Head, Finance Director, and Executive Director.
2. If the scope of the need is much larger than can be found elsewhere in the budget, staff must request a budget amendment with the Board of Commissioners. A budget amendment requires the following additional steps:
 - By state statute, any budget amendments must follow the same procedures used when adopting the budget and appropriation ordinance.
 - The amendment must also be filed with the Cook County Clerk's office.

Procedures for Tax Levy

The following procedure gives the process for completing, reporting, and filing procedures for the annual tax levy. One item of note, in Cook County property taxes are paid a year behind the current fiscal. The tax levy year is always a year earlier than the budget year.

Preparing and Filing Tax Levy

The district is subject to the Property Tax Limitation Extension Law (PTELL). Due to this the District can only raise taxes by the Consumer Price Index (CPI). However, it is the District philosophy to increase the levy CPI +1.5% to ensure the District receives all taxes they are eligible to under PTELL. During the budget process each the Finance Director will review the Fund Balance of each fund as well as the where each fund is compared to its rate limits to decide how much will be levied in each fund. The District when setting its levy will increase the property tax extension dollar amount by CPI + 1.5 and not the rate. This also ensures the District full captures taxes available. The District will also complete three (3) abatement ordinances each year for the bonds issued in 2011, 2012, and 2013.

Reporting of the Tax Levy

The estimated tax levy will be included in the budget guidelines that are sent to the board in June of every year. Before the budget working meetings, there will be an agenda item for the board to discuss the tax levy in abstract. The public hearing for the tax levy will be published in the paper 7 days prior to the tax levy hearing. The levy hearing will take place at the November COW meeting. The board will formally approve the tax levy at the November board meeting every year.

Filing of the Tax Levy

After the board has approved the levy and abated the three levies associated with the bond issues, the Finance Director will file the levies no later than the last Tuesday in December with the Cook County Clerk's office.

Procedures for Wire Transfers

The following procedures are to be used when completing wire transfers.

Wire Transfers

Wire transfers are necessary for various operations at the Park District. The Park District commonly uses wire transfers for the following reasons:

- CD investments or other investments
- Payments to vendors for large construction projects
- Moving cash flow to higher interest earning accounts

These transfers are to be discussed prior to completion and require two signatures on each wire transfer form. These cash transactions must also be recorded on the general ledger with back-up provided to show the correct trail. The only staff who can initiate or sign wire transfers are the Executive Director, Director of Finance, or the Finance Manager.