

**31413**  
**ADOPTED – BOARD OF TRUSTEES COMMUNITY COLLEGE**  
**DISTRICT NO. 508**  
**MAY 3, 2012**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508**  
**COUNTY OF COOK AND STATE OF ILLINOIS**

**RESOLUTION**  
**TO AMEND BUSINESS AND FINANCE POLICIES**

**WHEREAS**, the Board of Trustees of Community College District No. 508 is empowered under Section 3-30 of the Illinois Public Community College Act, 110 ILCS 805/3-30 (“the Act”) to exercise all powers not inconsistent with the Act, “that may be requisite or proper for the maintenance, operation and development of any college or colleges under the jurisdiction of the board;”

**WHEREAS**, Section 4.2 of the Board Bylaws provides that the Board may amend any rule or policy by a vote of a majority of the voting members of the Board then holding office at any regular, special or emergency meeting;

**WHEREAS**, the Office of Finance has conducted a comprehensive review of Article 1 of the Board Policies and Procedures and recommends that Article 1 be revised (see Exhibit A) and that such revisions include: 1) removal of various financial procedures from the policy manual; 2) guaranteeing conformity with certain state statutes; and 3) increasing the signature threshold from \$25,000 to \$500,000 to increase payment efficiency; and

**WHEREAS**, the proposed revisions to Article have been reviewed by the Chancellor;

**NOW THEREFORE BE IT RESOLVED** that the Chancellor recommends that the Board of Trustees adopts the revisions to the Article 1 of the Board Policies for Management and Government of City Colleges of Chicago and that said revisions will be reflected in updated publications of the Board Policies and the City Colleges of Chicago website.

**May 3, 2012 – Office of Finance**

**EXHIBIT A**  
**ARTICLE 1**

**BUSINESS AND FINANCE**

1.1 FISCAL YEAR.

The fiscal year of the District shall begin on July 1<sup>st</sup> of each year and conclude on June 30<sup>th</sup> of the following year.

1.2 BUDGET.

The Board shall adopt an annual budget and any additional or supplemental budget which, at the discretion of the Board, may be published in a budget handbook.

1.3 FINANCIAL REPORTS.

The Chancellor shall present to the Board periodic summaries of the financial condition of the District showing the status of Board finances.

1.4 DEPOSITS.

All funds of the District shall be deposited from time to time to the credit of the District in such banks, trust companies or other depositories upon recommendation of the Chancellor with approval of the Board.

1.4.1 Agency Account.

All monies from approved agency account transactions shall be deposited from time to time by the colleges on behalf of student organizations. These funds will be credited to a District bank account that has been authorized and approved by the Board. The District will track and reconcile these funds on the District's general ledger and provide reporting as needed.

In accordance with District procedures, the colleges may request a general ledger agency fund account for monies collected during campus related events, promotions or activities as long as the request for establishing an agency fund meets predetermined Districts criteria.

1.5 INVESTMENT AND DEPOSITORY POLICIES.

At its annual meeting, the Board shall, by Resolution, designate the methodology to be utilized for investment of funds, and other financial matters pertaining to depositories.

Short-term investments of cash shall be those which are estimated to be needed within twelve [12] months from the date of availability for investment. Such short-term investments shall be made by the Treasurer or other individual(s) designated by the Board, upon recommendation of the Chancellor, in accordance with the Board's Short-term

Investment Policy. In accordance with the Policy, each investment trade shall be subject to approval of the Chief Financial Officer prior to trade date.

In accordance with the Policy, the Treasurer shall submit a written quarterly report to the Board summarizing all transactions in sufficient detail to enable the Board to determine that the transactions are in accordance with its investment policies and state law. The Treasurer shall make an annual presentation to the Board.

Medium/long-term investments of cash shall be those which are not estimated to be needed within twelve [12] months from the date of availability for investment. Such medium/long-term investments shall be handled by outside money manager(s) selected by the Board, upon recommendation of the Chancellor, in accordance with the Board's Medium/Long-Term Investment Policy.

In accordance with the provisions of the Policy, the Treasurer shall monitor all transactions of the outside money manager(s). Each money manager shall submit a written quarterly report to the Board summarizing all transactions by the money manager in sufficient detail to enable the Board to determine that the transactions are in accordance with its investment policies and state law. Each money manager shall make an annual presentation to the Board.

#### 1.5.1 Authorization of Investment Representatives.

The Chairman of the Board and Chancellor are authorized to designate the individuals and outside money managers to fulfill the duties outlined in Section 1.5 above, subject to formal ratification by the full Board at its next regularly scheduled meeting.

#### 1.5.2 Other Financial Policies.

In addition to the Investment Policies outlined above, the Board shall adopt Resolutions pertaining to the following as needed:

- a. Board-Approved Depositories
- b. Authorized Signatures for Depository Accounts
- c. Designated Investment Accounts

#### 1.5.3 Certification of Investment Policies.

The Secretary or Assistant Secretary of the Board is authorized to certify a copy of the official Board Resolutions and policies enumerated herein in Section 1.5.2 and the names and signatures of the officers authorized to act. The investment entity(s) is authorized to rely upon such Board Resolutions or policies until formally advised by like certification of any changes therein.

1.6 PAYMENT TERMS.

In order to maintain compliance with the State Prompt Payment Act, City Colleges of Chicago (CCC) will pay all invoices within 60 days from the final invoice receipt date (Net 60). Therefore, all invoices are required to be dated stamped upon receipt using an official College or District stamp.

CCC payment terms are Net 60 unless vendor terms provide a trade discount for quick payment (e.g. 2% in 10 days).

1.7 CASH RECEIPTS POLICIES.

All collections of cash, money orders or checks for payments of tuition, fees, fines and other miscellaneous revenues must be done at the Business Office and only by the staff designated to receive funds.

1.7.1 Vault/Safe Access.

Access to the vault/safe must be limited to the Executive Director or designees. Access to funds deposited into the electronic safes will only be granted to the Board approved armored car vendor.

1.7.2 Disbursement Authority.

The Chairman, the Vice Chairman, and the Treasurer of the Board, and the Chief Financial Officer shall be authorized to issue appropriate payments (check or electronic) to pay the salaries and wages of employees; as well as pay vendors and reimburse students and employees for expenses without additional approval of the Board.

All issued checks shall require two (2) signatures and a third manual signature for payments issued in an amount in excess of \$500,000, from among one of the following: the Chancellor, the Vice Chancellor for Finance, the Treasurer, the Controller or other signatory authorized by the Board.

All electronic payments in an amount in excess of \$500,000 shall require approval from among one of the following: the Chancellor, the Vice Chancellor for Finance, the Treasurer, the Controller or other signatory authorized by the Board prior to release of the payment.

1.8 STUDENT ACTIVITY FUNDS - ALLOCATION, MANAGEMENT AND EXPENDITURE OF STUDENT ACTIVITIES FUNDS.

1.8.1 Allocation.

The Board shall, from time to time by resolution duly adopted, establish a sum per regular college credit hour, per College to be allocated to the Student Government for student activities each fiscal year. All monies allocated are the property of the Board and shall be deposited in the appropriate account.

No commitment or obligation may be made on behalf of the College without prior written approval of the College President or the President's designee. Students are personally liable for those commitments or obligations made without such written approval. Failure to obtain approvals can result in the student being held personally responsible for debts incurred. No reimbursements will be made without receipts which must be submitted to verify all reimbursable expenditures.

#### 1.8.2 Student Activity Fund.

The Student Government shall determine the allocation of the Student Activity Fund with the approval of the College President or the President's designee(s), the Dean of Student Services and/or the Director of Student Activities, and in accordance with these Policies.

Student Government may submit requests to the appropriate administrative office of the College for the expenditure of funds. These requests may be approved if they are expenditures for student activities and if they are consistent with applicable law, Board Policies and local college policy. District funds may not be used for charitable, sectarian, religious or political activities at any of the City Colleges of Chicago.

#### 1.8.3 College Newspaper.

Each College may publish a newspaper funded by the Education Fund. The College President and the newspaper staff shall determine the number of copies and issues and the size of the newspaper. A newspaper budget will be established and shall follow customary practice and cost efficient standards. The College President may suspend publication of the newspaper if, in the President's judgment, financial irregularities are taking place. The Student Government is not obligated to assist in funding the student newspaper; however, it may choose to do so.

#### 1.8.4 Board Regulations Regarding Expenditures.

Students may not bind the College or the District to contractual agreements or otherwise authorize the expenditures of College funds. When making purchases, students must follow procedures outlined in the sections below. Each request for expenditure must be consistent with the Student Government's approved budget. If any Student Government request for expenditure of monies is denied at the College, the College President shall notify the Student Government in writing. The Student Government shall then have the right to appeal that decision to the Chancellor, whose decision shall be final.

#### 1.8.5 Authorization of Student Activity Expenditures.

- a. The Student Government must submit a signed purchase requisition to the College President's designee(s) for approval. The requisitions will be consistent with its approved budget.
- b. Student requisitions will be authorized and processed by the College in accordance

with Section 2.2 of the Board Policies and Procedures Manual.

1.8.6 Student Travel.

Students must follow the same travel guidelines as City Colleges of Chicago personnel. Student travel expenses will be processed by the College in accordance with District reimbursement policies and procedures.

1.8.7 Monitoring of Student Government Funds.

The total amount in the Student Government account shall be reported by the College President or the President's designee to the Student Government President at the end of each month.

1.8.8 Budgeting Guidelines.

By law, Student Government expenditures may not exceed the Student Activities fund appropriations adopted by the Board of Trustees in the annual City Colleges of Chicago budget. Therefore, each College's Student Government shall develop and approve a Student Activities budget within thirty (30) days after the beginning of the Fall Semester.

The Student Government may allocate no more than ten percent (10%) of the monies allocated for student activities for its own activities and expenses.

Provisions for the Student Government Finance Committee or other budget/finance committees shall be detailed in the Student Government Constitution and/or Bylaws.

Each Student Government budget shall indicate appropriations in the form of specific line items and shall be developed with consideration given to the total allocation and alternative plans for its use. The Student Government budget shall be submitted to the College President and the President's designee (s) for approval. The President or designee (s) shall notify the Student Government President of budget approval or disapproval within 48 hours.

1.8.9 Relationship with the College Business Office.

The Student Government President and the Student Government Finance Committee shall work closely with the Business Office in the management of student funds and the development of the Student Government budget.

1.8.10 Agency Account Withdrawals.

Withdrawals from an Agency Account, if justified, shall be made through the use of a requisition signed by the proper club officers and College administrators. If a withdrawal is denied, the Club President shall consult with the Student Government. If the Student Government considers the denial invalid, the matter shall be adjudicated by the College President or the President's designee (s).

1.8.11 Student Government Responsibility for Funds Allocated.

Student Government shall develop budget guidelines for the allocation of activity funds. These budget guidelines shall contain provisions for the monitoring and review of each activity's expenditures and for allowing each to question what it may deem unfair or improper allocations.

1.9 REIMBURSEMENT POLICY

Purpose:

The primary means of purchasing valid goods and services necessary for conducting City Colleges of Chicago (CCC) business is the procurement process and not the employee reimbursement process. This policy addresses the employee reimbursement process, including petty cash and procurement cards. The following protocols and related procedures need to be complied with; however, they are not intended to address every situation.

Acknowledgement Agreement:

Employees are required to sign an Acknowledgement Agreement indicating that they accept the terms of this Employee Reimbursement Policy. Failure to comply with this Policy and the related procedures may result in the employee being accountable for any questionable expenditure and subject to disciplinary action up to and including termination of employment.

Allowable /Unallowable Types of Expenditures:

Allowable: Employees may incur reimbursable expenses in the course of doing CCC business, which may include taxi fare for times when public transit is not available; travel expenses for approved conferences; mileage, etc., that are allowed under the District's travel policy.

Unallowable:

A listing of expenditures that are not considered appropriate when conducting CCC business can be found in the travel and reimbursement manual.

Noncompliance - The District will deny reimbursement for expenditures which do not comply with District policy. Unreasonable, exorbitant, improper, or unsubstantiated charges will be denied.

Fraud - An employee who knowingly misrepresents the facts concerning reimbursements or official District business or who files or signs any reimbursements forms which contains deliberate false statements given with intent to defraud the District may be subject to both administrative and/or disciplinary action, including the possibility of termination and criminal action.

1.10 MILEAGE AND PERSONAL AUTOMOBILE

The use of the employee's personal automobile will be reimbursed at the current IRS

published rate for authorized official travel. Local mileage reimbursement is for travel related to the performance of an employee's regular job duties (and for occasional local travel for required meetings and/or professional conferences within the city when applicable).

Employees who utilize their personal vehicles to conduct CCC business are required to do the following:

- a. Must have prior authorization from their Officer of the District or Department Head on annual basis to use their personal vehicle performing business on behalf of the District (see annual local mileage and travel acknowledgement form)
- b. Must complete the required annual Certification of Driver's License and Automobile Liability Coverage form that meet or exceed minimum insurance policy limits as required by Illinois State Statutes., as follows.
  - o \$20, 000—Per Person for Bodily Injury
  - o \$40, 000—Per Accident for Bodily Injury
  - o \$15,000—Per Accident for Property Damage
- c. Full-time employees must have the personal vehicle registered in Illinois and have a current City vehicle sticker.
  - o New employees, a current vehicle registration from any state is required, however once residency is established, a current Illinois vehicle registration and city sticker will be required (generally 6 months to 1 year from date of hire).
  - o Part-time employees do not require City of Chicago residency and therefore a current vehicle registration from any state will suffice.
- d. Must **not** have any outstanding debt owed to the City of Chicago, such as unpaid parking tickets or water bills (confirm compliance on reimbursement form and CCC will review City Data base).
- e. Must **not** have been convicted of more than 3-three moving violations in the last 3-three years or of driving under the influence within the last 5-years (confirm compliance on reimbursement form).
- f. Are **not** eligible to receive additional reimbursement for other vehicle-related expenses, such as gas, oil, car washes, maintenance, repairs, insurance or stipends.



- g. Responsible for all parking/red light violations and moving violations incurred while driving.
- h. Independent consultants and contractors are **not** eligible for mileage reimbursement; although personnel from outsourced departments are eligible for mileage reimbursement based on position requirements.
- i. Mileage reimbursement under this policy shall apply to CCC and not extend beyond the City of Chicago limits unless approved in advance by the Department Head via a conference leave, employee reimbursement form or email.

#### 1.11 PETTY CASH POLICY.

Petty Cash funds (*including Contingency funds*) will no longer be allowed.

#### 1.12 PROCUREMENT CARD POLICIES

Although the City of Chicago does not use general credit or procurement cards, City College of Chicago will have limited use of Procurement Cards for emergency purposes, or large (>\$1,000) transactions where purchase orders are not accepted by the merchant. Procurement cards are **not** to be used as a regular vehicle with which to conduct CCC business. All non-emergency expenditures shall be submitted for payment through the regular Employee Reimbursement process (*refer to Section I above*). If it is determined that an expenditure purchased with a procurement card is not for emergency purposes, the CCC's access to procurement cards will be revoked.

Procurement Cards (P-Cards) will only be used for CCC business purposes; personal expenditures of any type are strictly prohibited. In addition to only being allowed for emergency purposes, the listing of Unallowable Types of Expenditures on Page I of this Policy also applies to P-Card purchases.

In addition to the signing and acknowledgement of the Employee Reimbursement Policy, a Cardholder Agreement/Acknowledgement will be signed by each cardholder.

##### a. Limited Access

Access to P-Cards will be limited (*no more than 5 cards*) and controlled/administered by CCC's CFO and registered with the City Comptroller.

##### b. Expenditure Limits and Proper Approval

CCC will work with the City Comptroller to determine the appropriate total monthly credit limit. A Matrix of the approved P-Card holders and their individual monthly card and transaction limits will also be developed by CCC. The Matrix will include the necessary required Approvals for each Cardholder.

### 3.6 WYCC BARTER TRADE TRANSACTIONS.

Barter trade transactions for goods in exchange for services at WYCC may only be used when made in compliance with the Board approved policy.

Barter for goods and services is not the preferred method of procuring goods or services for the District due to an increased risk of inaccurate valuation, reporting and tracking for these types of transactions. Therefore, the Board requires compliance with the following:

Barter trade transactions should be used for only unsold advertising time slots and any associated production services.

Barter trade transactions are to be performed as an arm's length transaction in which the buyers and sellers act independently and have no relationship (e.g. family members) to each other. Any apparent or perceived conflict should be disclosed in writing to the college president prior to finalizing the agreement.

All direct and indirect costs related to the exchanged services must be considered, properly reviewed and approved. WYCC should break even on every exchange transaction.

Public funds should not be given to private entities or used to support a political campaign; therefore barter trade transactions should not be subsidized or donated.

All planned revenue and expenses are to be properly budgeted. The WYCC budget must have Board approval.

WYCC should not contract with any customers who have outstanding receivables over 90 days or have had previous balances written off within the District until the customer has paid the outstanding balances or previously written off amounts in full.

All trades from a single vendor with a value exceeding \$25,000 during a fiscal year must have prior Board approval. However, the Board may choose to provide annual approval in aggregate for select vendors with an exchange value not to exceed a specified amount