



**GLENCOE PARK DISTRICT  
FINANCE COMMITTEE OF THE WHOLE MEETING  
Tuesday, October 3, 2017 – 7:00 p.m.  
Takiff Center**

Consistent with the requirements of the Illinois Compiled Statutes  
5 ILCS 120/1 through 120/6 (Open Meetings Act), notices of this meeting were posted.  
Location of the meeting is in the Takiff Center, 999 Green Bay Road, Glencoe, IL 60022

**A G E N D A**

- I. Call to Order
- II. Roll Call
- III. Matters from the Public
- IV. Discussion of Proposed 2017 Tax Levy Amount
- V. Discussion of Financial Procedure and Policy Manual
- VI. Discussion of Credit Card Program Policy
- VII. Other Business
- VIII. Adjournment

The Glencoe Park District is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or facilities, are asked to contact the Park District at 847-835-3030. Executive Director E-mail address: [lsheppard@glencoe parkdistrict.com](mailto:lsheppard@glencoe parkdistrict.com)

# **IV. Discussion of Proposed 2017 Tax Levy Amount**

Glencoe Park District  
October 3, 2017 Finance Committee of the Whole Meeting

To: Board of Park Commissioners  
From: Carol Mensinger, Director of Finance/HR  
Date: September 25, 2017  
CC: Lisa Sheppard, Executive Director

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Subject: 2017 Tax Levy Process and Overview

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It is that time of year again when we begin the legal cycle for our **next** fiscal year, FY2018/2019. The first step in that cycle is to determine the District's levy amount and to approve the 2017 Tax Levy Ordinance which is filed with the Cook County Clerk's Office.

Last year, the District approved an operating levy increase of 3.50%, which allowed for the 0.7% CPI plus estimated new growth of 2.8%. Per the **final** extension for 2016 that was received this past June, the actual new growth increased only 0.71% - this means we actually met our full potential to collect all "new growth" dollars.

The law requires all taxing bodies in Cook County to hold a public hearing on the proposed levy if the proposed aggregate levy exceeds the amount extended for the previous year by 105%. Even if the proposed aggregate levy does not exceed the amount extended by 105%, a public hearing can still be held.

To better understand this levy process, staff offers the following information each year on this process.

### **Tax Levy Process – A General Explanation**

While the levy process can be confusing, simply stated, it is the legal pre-requisite to a governmental entity receiving money from taxation. It is **not** an appropriation, which is the authorization for the **expenditure** of monies from taxes and other revenue sources. Rather, it is the **authority to collect** tax revenue to finance the District's expenses. Historically, the District's revenue sources consist of approximately 50% tax revenues and 50% program and user fees.

Each year, the District is required to estimate the amount of money to be raised by taxation for use in the following fiscal year. For example, the tax year 2017 levy relates to tax revenues to be collected in FY2018/2019 (March 1, 2018 through February 28, 2019). This estimated amount is called the "aggregate levy amount" and must be stated in a formal resolution passed by the Board. This is typically done at the October or November board meeting. The District is required to publish a notice and hold a public hearing on the proposed property tax levy if the aggregate operating levy increase is greater than 105% of last years extension. The hearing typically takes place at the regular board meeting in November or December.

The total aggregate levy is made up of both the **operational levy** and the **debt service levy**. The operational portion is determined by the amount of the District's levy request **and** numerous unknown variables (Equalized Assessed Valuation (EAV), CPI, new development). The debt service portion is determined by the County Clerk and is based solely on the amount of principal and interest due for all outstanding bond ordinances on file with the County. In addition, the County automatically adds a 3% "loss in collection" factor to all operating fund levies and a 5% "loss factor" to the debt service levy. The Property Tax Limitation Act of 1994 (referred to as "the tax cap") drastically changed the levy process. The tax cap limits tax growth on the existing EAV base, often referred to as "old growth", to an increase of 5% or the CPI, whichever is **lower**. For the 2017 levy, this cap will be 2.1% - meaning all old growth will be capped at this level. In the past three years, the CPI has been 0.7% (2016), 0.8% (2015), and 1.5% (2014). (Unfortunately, operating expenditures such as health insurance, utilities, gasoline, etc., usually increase above and beyond the CPI.)

The tax cap does **not** limit the collection of property taxes on **new development**, often referred to as "new growth", within the District boundaries as long as the maximum legal tax rates have not been achieved. This would include for example, new subdivisions, new homes, new commercial industry, or newly annexed property. The reason that new growth is not capped is due to a philosophy of equity. Because new homeowners and businesses will be benefiting from parks and facilities already paid for by current District residences and business owners, it is felt that they too should pay their fair share. In the second and subsequent years, this new growth then becomes part of the EAV base, or old growth, and is thus capped at the lower of 5% or the CPI.

Under the tax cap, however, **taxing bodies must levy for all potential new growth to actually receive it**. If it is not levied for, not only will you not receive the full potential of all tax monies entitled to the District in the initial year, but it also has a compounding effect because the following year's tax extension is based on the prior year's tax extension, and so on. Therefore, it becomes especially important to make sure the levy amount includes estimation for all new growth anticipated within the District. As mentioned earlier, due to the actual increase in new growth last year, the District did recognize all new growth potential. This is important to remember for each levy.

While it can be difficult to estimate new growth within the District, one can look to prior year history to calculate a historical average, and then build in any anticipated new growth, which may be added to the tax rolls in the coming year. This would also include teardowns. Again, levy amounts are estimates. Determination of actual tax amounts that are extended and collected on behalf of the District are not known until all key factors in the calculation are known, usually in June/July. Key factors include the aggregate levy request, total EAV, assessed value of new development, re-assessment of current (or existing) base EAV, statutory limits on tax rates, CPI, and total debt outstanding. After the tax

levy amount in determined and public hearing held, the Tax Levy Ordinance must be approved and filed with the County. This ordinance is an official legal document which outlines by fund, the total amount of taxes to be assessed and levied for and against all property within the District. While the ordinance is typically approved in November or December, it is for tax revenues that will be actually received in the **following** fiscal year. Although the District's budget process begins for staff in September 2017, the budget is discussed by the Board in February/March 2018, and the Budget and Appropriations Ordinance is officially approved in April/May 2018; the final tax information (i.e. tax revenues, tax rate) will not be known until June/July 2018, or even later. Due to the timing of the levy process and the impact of the tax cap, staff is in effect using its "best guess" when it comes to determining the tax levy amount. (Please remember, the Board can also utilize its authority to abate taxes once all the unknowns are known.) *Ultimately, the tax cap limits the amount of tax dollars received on old growth to the lower of the CPI or 5%, no matter what the levy increase is. And the amount of tax dollars received on new growth depends on if you have actually levied enough to receive it.*

### **2017 Tax Levy Amount-Glencoe Park District**

Given the information above, staff feels that the District should continue to proceed with a proactive approach by levying an amount which would ensure we are capturing all new growth tax dollars. In addition to the philosophy of equity, capturing all new growth tax dollars becomes especially important when considering the following:

- 1.** Unlike the Village, the Park District does not have other revenue sources (ex: sales tax, gasoline tax, etc.) to rely on to operate. The Park District relies primarily on property taxes (50%) and user/program fees/other sources (50%).
- 2.** Operating expenses have increased over and above the CPI increase in recent years. Examples include utilities, insurance premiums, contractual services, wages, gasoline, and pension contributions to IMRF.
- 3.** Per the District's Fund Balance Policy, the Board has directed staff to keep minimum fund balance requirements (50% in Corporate and Recreation, and 25% in all other funds) as is advised by the Government Finance Officers Association. This is especially important when faced with large, unexpected repairs, or delays in receiving the second installment of tax revenues.
- 4.** Specific funding for the District's Master Plan Projects (Fund 69) has been historically dependent on the surpluses in the Corporate and Recreation Funds. Each year, a minimum of approximately \$500,000 is also earmarked for annual capital improvements in the Capital Projects (Fund 65).

### **Breakdown of Levy Amount By Fund**

See attached for additional information on the breakdown of the proposed aggregate levy amount by fund.

### **Staff Recommendation-2017 Tax Levy Amount**

Per the County Clerk's Office, the old growth (or existing EAV base) will be capped at 2.1% CPI. It has been past Board philosophy that new homeowners and business owners should pay their fair share for parks and facilities already existing within the District. Thus, it is important to levy an amount to capture all new growth potential. Based on these considerations, staff recommends an **operating** levy amount of **\$4,343,500**, which is **4.40%** greater than last year's final tax extension of **\$4,160,301**. Realizing that old growth will be capped at 2.1% (CPI) this year no matter what the levy amount is, it is the District's intent in levying 4.40% is only to **ensure** new growth tax dollars (up to 2.30%) are received. Please note, new growth has been under 1.5% in the past seven years.

The District's **debt service** levy amount has remained at an increased level since the successful referendum bond issue in 2006. The total debt service levy amount of **\$1,168,250** includes principal and interest for the 2010 Refunding Bonds (\$129,400) and the new 2015 Refunding Bonds (\$1,038,850). This will result in a 4.58% decrease in the debt service levy compared to last year's final extension.

Since the District's 2017 operating levy request is not more than 105% of last year's final extension, it is not required to hold a public hearing on the levy but the Board may still wish to do so. It would be staff's intent to formally approve the amount to be levied and approve the Truth and Taxation Resolution at the October 17 regular board meeting, and then approve the Levy Ordinance at the November 21 regular meeting. If held, the public hearing on the levy would be held at the November 21 regular meeting as well. The Levy Ordinance must be filed with the County Clerk's office by the last Tuesday in December (December 26, 2017).

Glencoe Park District  
Breakdown of Levy By Fund-2017 LEVY REQUEST

----Tax Rates----  Limit 2016 Rate	Fund	Tax Yr 2016	Proposed	% Increase	Relevant Considerations	
		Extension	Tax Year 2017 Extension			
0.3500	0.2304	Corporate	2,120,958	2,190,000	3.26%	The 2017 tax year levy will be used to cover general operating increases in utilities, contractual services, wages, health insurance, postage, supplies, etc. In addition, an amount of \$500,000 has been used annually to fund the District's capital projects program. Staff expects fund balance to be maintained at or near current levels. The undesignated projected fund balance level at the end of the FY2017/18 is 58%. The Board designated \$500,000 to be "committed" for future capital in FY18/19.
0.3700	0.1093	Recreation	1,006,166	1,045,000	3.86%	The 2017 tax year levy will also be used to cover general operating increases as described above. It is expected that enrollments in District programs will grow, and that as such, the typical net surplus can be used to offset the deficit operations of running the Takiff Center. Adequate fund balance levels are key to the financial health of this fund. The undesignated projected fund balance at the end of FY2017/18 is approximately 65%. The Board designated \$ 500,000 to be "committed" for future capital in FY18/19.
0.0400	0.0257	Special Recreation	236,900	301,500	27.27%	Preliminarily, NSSRA contribution will increase slightly (3%) from current \$97,440 to \$103,500. Companion fees increased steadily but seemed to slow this year, so we hope to maintain at \$75,000. NSSRA Capital contribution is \$6,000. Projected fund balance at the end of FY2017/18 is 31%. Staff looks to increase levy this year for replacement of several ADA playgrounds.
None	0.0384	IMRF	353,493	350,000	-0.99%	Next fiscal year, employer IMRF contribution rate will decrease from 14.27% to 14.25%. Projected fund balance at the end of FY2017/18 (for combined IMRF/FICA fund) is approximately 75%. Staff recommends a levy amount slightly less than the anticipated budget amount, given the level of fund balance.
None	0.0251	Social Security	240,264	245,000	1.97%	This employer FICA contribution rate remains at 6.2% and the Medicare contribution rate remains at 1.45%. Projected fund balance at the end of FY2017/18 is 33%. Staff recommends a levy amount equal to the anticipated budget amount.
None	0.0165	Liability Insurance	151,891	156,000	2.71%	PDRMA continues to maintain single-digit increases in general liability, property, and employment practices insurance coverages by utilizing their rate stabilization fund. Unemployment claims have been maintained at same level. Projected fund balance at the end of FY2017/18 will be about 54%. Staff recommends that the levy amount in this fund be at the anticipated budget for the new year.
None	0.0043	Workers Comp	39,583	41,000	3.58%	PDRMA anticipates a similar increase in worker compensation insurance premiums, per the rationale above. Projected fund balance at the end of FY2017/18 is 75%, and staff recommends a levy amount equal to the anticipated budget for the new year.
0.0050	0.0012	Audit	11,046	15,000	35.80%	Levy amount includes a minimal increase in audit fees from \$11,850 to \$12,100 for the first year of a 2-year contract extension with Lauderbach & Amen. Projected fund level at the end of the year is 32%.
	0.4519	Subtotal-Operating	4,160,301	4,343,500	4.40%	
None	0.1330	Bond & Interest	1,224,353	1,168,250	-4.58%	Levy amount is automatically determined by the County based on all bond ordinances on file. The amount levied includes 2010 Refunding Series principal (\$115,000) and interest (\$14,400) for a total of \$129,400. The amount levied for the 2015 Refunding Series includes principal (\$805,000) and interest (\$233,850) for a total of \$1,038,850. (Note, the levy amount does not yet reflect the 5% loss factor added by the County.)
	0.5849	Total - All Funds	5,384,654	5,511,750	2.36%	

NOTE: Fund balance percentages are calculated by dividing projected 2/28/18 fund balance by budgeted FY2017/18 annual operating expenditures.

**Glencoe Park District  
 Levy Information - Fund Balances of Operating Funds  
 September 2017**

<b>Fund</b>	<b>Actual 2/28/2017 Fund Balance</b>	<b>Projected 2/28/2018 Fund Balance</b>	
CORPORATE			
Committed/Undesignated	1,884,485	1,572,089	58%
Restricted - Medical Insurance	15,000	15,000	
Committed - Future Capital	<u>600,000</u>	<u>500,000</u>	
Total	2,499,485	2,087,089	
RECREATION			
Committed/Undesignated	2,831,942	2,768,613	65%
Committed - Future Capital	<u>1,100,000</u>	<u>500,000</u>	
	3,931,942	3,268,613	
SPECIAL RECREATION	156,259	91,369	31%
IMRF RETIREMENT	246,903	255,333	75%
SOCIAL SECURITY	59,889	72,389	33%
BOND & INTEREST	255,932	297,182	26%
LIABILITY INSURANCE	113,060	91,952	54%
WORKERS COMPENSATION	32,944	30,744	75%
AUDIT	<u>7,321</u>	<u>4,536</u>	32%
Grand Total	Operating Funds	7,303,735	6,199,207



Glencoe Park District  
History of Final Levy Tax Extensions  
September 2017

Tax Year	CPI	Total EAV	EAV- Old Growth	EAV- New Growth	Limiting Tax Rate	Total EAV Inc/(Dec)	% +/- Total EAV	% +/- NEW Gwth	% +/- OLD Gwth**
2017	2.1%								
*2016	0.7%	920,554,855	166,281,244	5,309,461	0.427	171,590,705	22.91%	0.71%	22.20%
2015	0.8%	748,964,150	(33,538,383)	8,126,533	0.518	(25,411,850)	-3.28%	1.05%	-4.33%
2014	1.5%	774,376,000	1,312,512	6,885,500	0.491	8,198,012	1.07%	0.90%	0.17%
*2013	1.7%	766,177,988	(88,862,471)	4,339,734	0.485	(84,522,737)	-9.94%	0.51%	-10.45%
2012	3.0%	850,700,725	(65,096,549)	5,012,190	0.427	(60,084,359)	-6.60%	0.55%	-7.15%
2011	1.5%	910,785,084	(114,212,290)	7,988,009	0.384	(106,224,281)	-10.44%	0.79%	-11.23%
*2010	2.7%	1,017,009,365	(196,141,919)	6,993,287	0.334	(189,148,632)	-15.68%	0.58%	-16.26% *
2009	0.1%	1,206,157,997	57,174,254	24,028,445	0.273	81,202,699	7.22%	2.14%	5.08%
2008	4.1%	1,124,955,298	39,624,601	18,336,947	0.284	57,961,548	5.43%	1.72%	3.71%
*2007	2.5%	1,066,993,750	271,610,592	23,166,226	0.284	294,776,818	38.17%	3.00%	35.17% *
2006	3.4%	772,216,932	(15,805,477)	17,426,571	0.374	1,621,094	0.21%	2.26%	-2.05%
2005	3.3%	770,595,838	35,760,402	20,140,599	0.354	55,901,001	7.82%	2.82%	5.00%
*2004	1.9%	714,694,837	163,446,630	12,357,248	0.357	175,803,878	32.62%	2.29%	30.33% *
2003	2.4%	538,890,959	(9,698,462)	10,969,839	0.442	1,271,377	0.24%	2.04%	-1.80%
2002	1.6%	537,619,582	30,706,852	9,847,825	0.452	40,554,677	8.16%	1.98%	6.18%
*2001	3.4%	497,064,905	89,548,869	13,932,060	0.473	103,480,929	26.29%	3.54%	22.75% *
2000	2.7%	393,583,976	(10,549,605)	5,708,214	0.526	(4,841,391)	-1.22%	1.43%	-2.65%
1999	1.6%	398,425,367	9,377,933	5,158,838	0.498	14,536,771	3.79%	1.34%	2.44%
*1998	1.5%	383,888,596	35,078,769	4,829,704	0.502	39,908,473	11.60%	1.40%	10.20% *
1997	3.6%	343,980,123	(1,831,113)	3,054,227	0.543	1,223,114	0.36%	0.89%	-0.53%
1996	2.5%	342,757,009	1,384,535	3,190,291	0.522	4,574,826	1.35%	0.94%	0.41%
*1995	2.7%	338,182,183	30,661,674	5,458,884	0.518	36,120,558	11.96%	1.81%	10.15% *
1994		302,061,625							

\* Denotes a tri-annual re-assessment year.

\*\* Note: Old Growth is capped at CPI.

Glencoe Park District  
 Levy Request versus Final Tax Extension  
 September 2017

Tax Year	CPI	Operating Levy Request (in Dec)	% Increase over previous year Extension	Final Operating Extension (following June)	Actual % Increase
2017	2.1%	4,343,500	4.40%		
*2016	0.7%	4,227,000	3.50%	4,160,301	1.86%
2015	0.8%	4,059,200	3.00%	4,084,134	3.63%
2014	1.5%	4,036,200	3.35%	3,940,961	0.91%
*2013	1.7%	4,007,000	4.69%	3,905,530	2.04%
2012	3.0%			3,827,383	

\* Denotes a tri-annual re-assessment year.

\*\* Note: Old Growth is capped at CPI.

\*\*\* In 2015, new growth increased over 1.0% for first time since 2009

RESOLUTION # \_\_\_\_\_  
GLENCOE PARK DISTRICT

**TRUTH IN TAXATION LAW RESOLUTION**

**RESOLVED**, by the Board of Park Commissioners of the Glencoe Park District, Cook County, Illinois that based upon the most recently ascertainable information, the following estimate of taxes to be levied is hereby made in accordance with Section 60 of the "Truth in Taxation Law":

1. The corporate and special purpose property taxes extended or abated for 2016 were \$4,160,301. The proposed corporate and special purpose property taxes to be levied for 2017 are \$4,343,500. This represents a 4.40% increase over the previous year.
2. The property taxes extended for debt service and public building commission leases for 2016 were \$1,224,353. The estimated property taxes to be levied for debt service and public building commission leases for 2017 are \$1,168,250. This represents a 4.58% decrease over the previous year.
3. The total property taxes extended or abated for 2016 were \$5,384,654. The estimated total property taxes to be levied for 2017 are \$5,511,750. This represents a 2.36% increase over the previous year.
4. Based on the foregoing, no public hearing or publication is required under the Truth in Taxation Law. However, the Board will still hold a public hearing on the proposed levy on November 21, 2017.

Passed this 17th day of October, 2017.

AYES:

NAYS:

ABSENT:

\_\_\_\_\_  
Dudley Onderdonk, President  
Board of Park Commissioners

Attested and filed this 17th day of October, 2017.

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Lisa Sheppard, Secretary  
Board of Park Commissioners

**Notice of Proposed Property Tax Levy Increase  
For Glencoe Park District**

- I. A public hearing to approve a proposed property tax levy increase for the Glencoe Park District for 2017 will be held on November 21, 2017, at 7 p.m., at the Glencoe Park District, 999 Green Bay Road, Glencoe, Illinois.

Any person desiring to appear at the public hearing and present testimony to the taxing district may contact Lisa Sheppard, Secretary of the Board of Park Commissioners, 999 Green Bay Road, Glencoe, Illinois, telephone number (847) 835-3030.

- II. The corporate and special purpose property taxes extended or abated for 2016 were \$4,160,301.

The proposed corporate and special purpose property taxes to be levied for 2017 are \$4,343,500. This represents a 4.40% increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2016 were \$1,224,353.

The estimated property taxes to be levied for debt service and public building commission leases for 2017 are \$1,168,250. This represents a 4.58% decrease over the previous year.

- IV. The total property taxes extended or abated for 2016 were \$5,384,654.

The estimated total property taxes to be levied for 2017 are \$5,511,750. This represents a 2.36% increase over the previous year.

# **V. Discussion of Financial Procedure and Policy Manual**

Glencoe Park District  
October 3, 2017 Finance Committee of the Whole Meeting

# Glencoe Park District

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## Financial Policies & Procedures Manual

Proposed First Draft: September 2017

# Glencoe Park District Credit Card Policy

*Proposed to the Board of Park Commissioners: September 28, 2017*

## **Introduction: Cardholder Setup and Activation Overview**

The Glencoe Park District provides District-issued credit cards to authorized employees for business-use purchases. The District's Credit Card Program is a credit card purchasing program that authorizes the use of a credit card with a credit limit for business purchases.

The Credit Card Program is designed to assist the organization in reducing its reliance on requisitions, purchase orders, petty cash funds, employee advances, paper checks, and reduce the need to use personal funds for business purposes. The program should help increase turn-around in the fulfillment of orders, provide greater flexibility and reduce paperwork.

For the Credit Card Purchasing Program, the Administration/Finance Department is responsible for the implementation, program compliance, issuance, auditing, processing payment, and bank relations to solve customer service issues and card cancellations. The Administration/Finance Department reconciles all statements and maintains the statements/receipts for the Credit Card Program. The Administration/Finance Department shall also be responsible for notifying the appropriate Departmental staff, Department Heads, and Executive Director for any irregularities that occur.

Only employees of the organization are allowed to participate in the program. Each cardholder has the responsibility to review, reconcile and submit their monthly account statement with the appropriate receipts and signatures for processing. The following full-time positions are authorized to use a District credit card: Executive Director, Director of Recreation/Facilities, Director of Parks/Maintenance, Director of Finance/HR, Manager of Marketing/Communications, Program Managers, Facility Manager, Administrative Assistant.

Credit card statements arrive around the 11<sup>th</sup> day of each month and are due to the Finance Department **by the end of the following week**. Typically, the Finance Department is the original recipient of the statements and the Finance Department will forward these statements to the appropriate staff.

All policies outlined in this manual and the District's financial and operational policies must be adhered to and any failure to comply can result in the suspension from the Credit Card Program and also include disciplinary actions that may include termination of employment. The credit card issued to the cardholder is the property of the Park District and can be canceled at any time.

Periodic audits will be performed to ensure the cardholder is in compliance with the policies and procedures.

## **Cardholder Setup / De-activation**

A new participant in the Credit Card Program must complete the Credit Card Application (included in this packet) and obtain the appropriate authorization of the Department Head. The application must be submitted to the Finance Department by the applicant's Department Head.

Once the application has been approved by the Administration/ Finance Department and the bank has processed the request, an account for the cardholder may be established.

The new participant must also sign the User Agreement Form (which can be found in this packet) which outlines the responsibility of the cardholder while in possession and use of the credit card. Both of these documents must be completed and signed prior to the release of the credit card to the cardholder from the Administration/ Finance Department.

When an employee separates from the Glencoe Park District, the credit card must be turned into the Administration/Finance Department (through the appropriate Department Head) on or before the employee's separation date. The Administration/ Finance Department will terminate the card with the bank.

### **Recordkeeping & Reconciliation**

The cardholder is responsible for maintaining adequate receipts for goods and services purchased with the credit card. The "MasterCard Charge" (also known as "Blue Slip") template form should be securely attached to the top of the receipt/documentation. The cardholder must contact the vendor directly to resolve any discrepancies or incomplete orders. The documentation retained should include sales receipts, packing lists (if applicable) and credit card transaction receipts. Any incorrect charges, duplicate transactions or missing credits must be addressed directly between the cardholder and the vendor. Upon completion of the reconciliation, the cardholder and their Department Head or Supervisor **must** sign the statement documenting their agreement with the transactions appearing on their account statement. Employees may not sign off on their credit card purchases.

Employees are responsible for ensuring that the credit card purchases are exempt from sales tax (typically by displaying the tax exempt form – enclosed in this packet).

Items that **cannot** be purchased:

1. Cash advances
2. Liquor or tobacco products
3. Personal use items
4. Illegal items (including but not limited to weapons, controlled substances, etc.)

If the employee inadvertently uses the District's credit card, the employee **MUST** write a check or pay cash to reimburse the District **IMMEDIATELY**. They must notify their Department Head or Supervisor responsible for credit cards who will notify the Finance Department. The employee may write a check or pay cash to reimburse the District.

### **Missing Receipts**

If the cardholder is missing receipts, the cardholder should attempt to contact the vendor to request a copy of the receipt. If the request cannot be honored, the cardholder must then submit a Missing Receipt Form documenting the pertinent transaction information. This documentation must be reviewed and approved by the cardholder's Department Head. A copy of the Missing Receipt Form can be found in this packet.



### **Disputed Transactions**

At times, there might be disputed transactions on a cardholder's account statement. Examples of disputes include but are not limited to the following: due to non-delivery of goods or services, incorrect billing, duplicate billing, missing a valid credit not processed to the account for a return, altered charges, or defective merchandise. When this occurs, the cardholder must contact the Administration/ Finance Department stating the reason for the disputed item and any other transaction details available. The cardholder must also notify the vendor of the discrepancy. The cardholder is responsible for resolving the disputed item with the vendor.

If any employee has a dispute that cannot be resolved by the cardholder, the employee **MUST** contact the Administration/ Finance Department for assistance.

The Administration/ Finance Department must be notified of all disputed transactions within 30 days of the statement date.

**Note on Returned Items:** Items should be returned directly to the vendor by whichever means the vendor requires. It is the cardholder's responsibility to ensure that proper credit is posted for any returned items.

### **Lost or Stolen Cards**

If your card is lost or stolen, the cardholder must immediately notify the Administration/ Finance Department and their Department Head/Supervisor. Upon notification, the card will be suspended immediately and any charges posted to the account after the "missing date" will be denied. A new card will be issued upon completion of an application which indicates that the card is a replacement.

### **Employee Access to Online Services**

Online access will be available so that the cardholder can view their current available credit and to view all current charges they have made.

Cardholders are not permitted to make any changes to the account as they are not signing in under the primary account holder's login/password. Individual cardholder's must share their login and password information with the Admin Office.

**Glencoe Park District  
Credit Card Application Form**

The employee designated below is authorized to apply for and receive a Glencoe Park District credit card.

**First Name:** \_\_\_\_\_ **Middle Initial:** \_\_\_\_ **Last Name:** \_\_\_\_\_

**Department:** \_\_\_\_\_ **Last 4 Digits of SS#:** \_\_\_\_\_

**Statement Address:**           Glencoe Park District  
  999 Green Bay Road  
  Glencoe, IL 60022

**Credit Card Limit** (to be completed by Finance Department): \_\_\_\_\_

Your signature below is verification that you have read and understand the Credit Card Program Policy and agree to comply with it.

\_\_\_\_\_  
**Employee Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Department Head Signature**

\_\_\_\_\_  
**Date**

**Glencoe Park District  
Credit Card Use Policy/User Agreement**

**Cardholder Responsibilities:**

1. I accept full personal responsibility for the safekeeping of the credit card assigned to me and that absolutely no one, other than me, is permitted to use the credit card assigned to me.
2. If the credit card is lost or stolen, I agree to immediately notify my Department Head who will notify the Administration/ Finance Department immediately.
3. A District card may be used for the purchase of goods or services only for official Park District business.
4. I agree to submit receipts and documentation detailing the goods or services purchased, cost, and date of the purchase to the District by the due dates as per this policy in order to reconcile against the monthly credit card statement.
5. I agree to surrender the credit card immediately upon request or upon termination of employment.
6. I understand that I am financially responsible for purchases that are not approved by my Department Head.
7. I understand that I am responsible for ensuring that purchases are exempt from sales tax (typically by displaying the tax exempt form/card – enclosed in this packet).

**Requirements for Use of Credit Card:**

1. The credit card is to be used only to make purchases for the legitimate business of the Glencoe Park District.
2. The credit card must be used in accordance with the provisions of the Credit Card Policy and Procedures established by the Glencoe Park District.

I, \_\_\_\_\_ have read and understand the Glencoe Park District Credit Card Policy and Procedures and I agree to adhere to them.

\_\_\_\_\_  
**Employee Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Department Head Signature**

\_\_\_\_\_  
**Date**

## Glencoe Park District Missing Receipt Form

This form is to be used in the rare circumstances that an itemized receipt was not provided/requested or has been misplaced.

I am requesting vendor payment for the following expenses for which the itemized receipts are unavailable for my accounting:

<b>Date</b>	<b>Amount</b>	<b>Vendor Name</b>	<b>Itemized Description</b>

By signing below, I am certifying that the above amounts are appropriate business expenses incurred by me on behalf of the Glencoe Park District. I further certify that these expenses comply with the requirements of all Glencoe Park District purchasing policies.

I am aware that the District's policy states that an itemized receipt is required for all purchases.

\_\_\_\_\_  
**Employee Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Department Head Signature**

\_\_\_\_\_  
**Date**

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# INTRODUCTION

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## **Introduction**

This Financial Policies and Procedures manual has been established to provide a set of ideologies involved in the management of the finances and to illustrate day to day financial operations for the Glencoe Park District.

## **Purpose of the Manual**

The purpose of this policies and procedures manual is to:

- Provide a reference to the application of financial tasks and routines of for the Glencoe Park District Director of Finance/HR, Accounting Manager, Board of Park Commissioners, Executive Director, Auditors and other internal departments of the District.
- Ensure consistency among financial processes.
- Outline procedures to augment adequate internal controls.
- Ensure all assets are safeguarded.
- Manage finances with responsible stewardship.
- Provide a financial operations guide for training new staff.

## **Revision/Amendments of the Manual**

Due to changes in accounting practices, changes to Illinois Park District Code, and changes in procedures to adapt new techniques and ideas, some parts of this manual may become obsolete. Finance will review and revise the relevant areas as necessary. Any and all changes may be subject for review and approval by the Board of Park Commissioners.

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# FINANCIAL OVERVIEW

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The Board recognizes that the financial integrity of the District must be maintained through a sound financial plan outlining expected revenues and expenditures for all District funds. This manual and the comprehensive set of financial policies have been created for the District to address specific financial issues. These policies should be strictly followed by all employees and Commissioners of the District and remain updated at all times.

The Board shall exercise prudent financial judgment and practices so that the District remains financially sound. The Board shall review and approve the proposed annual budget for the District. The Board also shall regularly review reports regarding the District's financial status, Voucher List of Payments, current status of each of the funds of the District and similar reports.

## **Fiscal Year**

The fiscal year of the District commences on March 1 and ends on the last day of February of the following year.

## **Annual Budget and Appropriation Ordinance**

The Board recognizes that, as required by the Park District Code, the Budget and Appropriation Ordinance will be presented to the Board for review, comment, and passage no later than the first quarter of each fiscal year.

The Ordinance shall contain a statement of cash on hand at the beginning of the fiscal year and an estimate of monies expected to be received during the fiscal year from all sources, as well as an estimate of expenditures for the fiscal year and an estimate of cash on hand at the end of the fiscal year.

The Ordinance must be prepared in tentative form and made available for public inspection at least 30 days prior to final action. The Board must hold at least one public hearing regarding the Ordinance before it can take final action. Notice of the hearing must be published in a newspaper circulated in the District at least 7 days before the date of the hearing. The public hearing can take place as a separate meeting prior to the Board's regular meeting, or on the same date, just prior to the start of the regular meeting of the Board.

After adoption of the Ordinance by the Board, it will be signed by the President and Secretary and certified by the Secretary. The Ordinance becomes effective upon its passage, and is filed with the Cook County Clerk's Office by the end of May.

## **Annual Tax Levy**

The Board recognizes that subject to the Park District Code, the Tax Levy Ordinance will be presented for passage no later than the December regular Board meeting.

All general taxes proposed to the Board to be levied upon the taxable property within the District shall be levied by ordinance. A certified copy of such levy ordinance shall be filed with the County Clerk no later than the last Tuesday in December of each year. The Board of Park Commissioners shall take appropriate annual action at a Board Meeting to comply with the legal requirements for the purpose of levying taxes in accordance with Park District Code, including the Truth-In-Taxation Law.



The Board must adhere to the following process to levy taxes:

1. The Board must meet and formally determine the amount of money that it estimates will be levied, at least 20 days prior to adopting the new levy ordinance. This estimate should be announced at a Board meeting, formalized in a resolution and adopted by the Board.
2. The District must hold an open, public hearing prior to passing a new tax levy ordinance that is estimated to be greater than 105% of the preceding year's levy. In assessing the previous tax extension, the District must deduct any amount that was abated and exclude any election costs. No hearing is required for proposed levies less than 105% of the preceding year's levy.
3. The hearing shall not coincide with the hearing on the budget and appropriation ordinance of the District.
4. The District must provide notice of the hearing in an English language newspaper at least 7 days but no longer than 14 days before the hearing date. The notice shall be no less than 1/8 page in size and the smallest type used shall be 12 point and shall be enclosed in a black border no less than ¼ inch wide. The notice shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear.
5. At the hearing, the Board should explain the reasons for the proposed increase and permit individuals the opportunity to present testimony within reasonable time limits set by the presiding officer.
6. The District must file a certified copy of the tax levy ordinance with the Cook County Clerk by the last Tuesday in December.
7. At the time the District files with the Clerk, it must also file a certificate signed by the Board President, which certifies compliance with the requirements of the Truth in Taxation Law.

There are eight (9) separate funds established by the Board for levying and assessing taxes on properties within the District for the amount of tax needed to carry out the functions of the District:

- Corporate Fund
- Recreation Fund
- Liability Fund
- Workers Compensation Fund
- Audit Fund
- Special Recreation Fund
- IMRF Retirement Fund
- Social Security Fund
- Bond and Interest Fund - The levy for the Bond Fund is set by the County Clerk and reflects the amount shown in the District's outstanding Bond Ordinance(s).

The President and Secretary will sign the Tax Levy Ordinance and the Secretary will certify its passage.

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# CASH RECEIPTS/CASH HANDLING

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The policy of the Glencoe Park District is to deposit funds on a timely basis to maximize earnings and keep adequate levels of cash for operational needs.

## Acceptable Forms of Payments

The Glencoe Park District accepts:

- Cash
- Checks
- Credit Cards (VISA, MasterCard)
- Cashier's Checks/Money Orders

Glencoe Park District staff (registration staff, beach/ice cashiers, beach/ice assistant managers, and program/facility managers) collect all forms of payment and process in the RecTrac registration system. All monies are uploaded into the Incode financial software system via a daily file interface done by the Director of Finance/HR.

## 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. 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

Park District locations that handle acceptable forms of payment as listed above include the Takiff Community Center, Watts Ice Center and the Beach Halfway House/Safran Beach House, and must abide by the guidelines and recommended procedures. Due to the high volume of cash transactions at the Beach and Watts Ice Center locations, the following measures are followed:

- Each morning before operations begin at the Ice and Beach location, the cash banks will be counted. 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/reconciled by management the next morning. After verifying all the batches, the batches must be brought over daily to the Registration Office at the Takiff Center and monies are deposited at the bank.

#### Cash Deposit and Reconciliation Process

To maintain a reasonable level of segregation of duties, all Takiff deposits to the bank are made during the business week by the Administrative Assistant or Accounting Manager. Monies are deposited on a daily basis. At the Beach/Watts, the monies are deposited by the Facility Manager or Assistant Managers. On the weekends, the seasonal beach and ice manager makes the deposits either in the night depository at the bank, or on the next business day.

On a regular basis, the Accounting Manager reviews daily deposit slips with applicable batch reports and attaches deposit bank slips after deposit is made.

Any discrepancies in either data entry or deposits shall be reconciled immediately by the Director of Finance/HR using the RecTrac (registration software) and/or Incode (accounting software) to make the necessary corrections.

#### Financial Statement Preparation

Monthly financial statements are to be completed no later than the middle of following month. The Director of Finance/HR is responsible for the preparation of the financial statements. These statements include cash and investment summary, revenue and expense detail report, balance sheet, comparison report and program analysis report.

A financial summary report is presented to the board at each month's regular Board Meeting and included in their board packet. On an annual basis, the Park District's auditors present the annual financial report to the Board.

#### Bank Reconciliation

The Director of Finance/HR reviews all bank statements and completes a bank reconciliation for all District bank accounts to ensure there are no unknown transactions on the bank statements or the Park District's balance sheet.

#### **Refunds**

Glencoe Park District understands from time to time refunds may be necessary for various reasons including but not limited to program cancellations, customer dissatisfaction or unforeseen circumstances. In which case, upon approval from appropriate supervisory staff, a credit or refund shall be issued.

Once approved, any and all refunds shall be made in the same manner as they were paid, less a \$20 processing fee. Therefore, if a payment has been made by credit card, the refund will be credited to that same credit card. However, an exception will be made if a credit card that is on file has expired or a given circumstance has occurred to render the credit card option unfeasible. At which point, a Refund to Finance RecTrac Form is completed and submitted to the Accounting Manager so that the refund can be issued in the form of a check. Similarly, if the payment had been made in any other method than a

credit card, a Refund to Finance RecTrac Form will be submitted to the Accounting Manager and the refund will be issued in the form of a check.

### **Returned/NSF Checks**

On occasion, the Glencoe Park District will see a check returned for insufficient funds or other unforeseen circumstances. In this case, the Director of Finance/HR is notified by the Bank. The Director of Finance/HR informs the Registration Office of this situation. The Registration Office is to contact the customer to update them of the discrepancy and inform them that their customer account will be updated in RecTrac to show an amount due until another form of payment is submitted. A \$25 processing fee will be charged for all returned or non-sufficient funds checks.

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## PAST DUE AMOUNTS COLLECTION

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In collecting past due amounts for programs, rentals, memberships, etc., staff shall make every reasonable effort to cooperate with the debtor and their financial constraints. However, in the event that the debtor is unresponsive or uncooperative, the following guidelines for further collection efforts shall direct staff actions.

For past due amounts over 90 days and after at least two attempts to collect balance, suspension of all participation in Park District programs until past due balance is paid will be enforced and the debtor will be notified of this action via phone call and email.

For past due amounts over 120 days and after at least two attempts to collect balance, suspension of all participation in Park District programs until past due balance is paid will be enforced and the debtor will be notified of this action. The balance will be turned over to a collection agency and debtor will be notified via a certified letter of this action.

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# PURCHASING POLICY

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## Overview

The Park District's Purchasing Policy establishes the guidelines under which all purchases must be made. This policy adheres to all requirements of Section 8-1(c) of the Park District Code and outlines administrative staff guidelines for purchasing. It is the intent of this policy that the Park District conducts business fairly and equitably while remaining fiscally responsible to its taxpayers.

All purchases must be in the best interest of the Park District. Local vendors and merchants will be used if at all possible, subject to compliance with the specific requirements of this Policy.

All purchases in excess of \$2,500 are to be made by authorized Park District personnel on approved purchase order forms.

Purchase order forms shall be issued for all purchases in excess of \$2,500 for supplies, services, capital improvements, repairs, etc. procured for Park District purposes. Exceptions may include, but are not limited to, utilities, bond and interest payments, insurance premiums, monthly service agreements, payments to NSSRA, certain contractual payments for professional services (i.e. attorney and architects), in-service training and payroll-related expenditures.

## Governance

The purchasing policy is governed by Section 8-1 (c) of the Park District Code which specifically empowers the Park District "to acquire by gift, legacy, or purchase any personal property necessary for its corporate purposes provided that all contracts for supplies, materials or work involving an expenditure in excess of \$25,000 shall be let to the lowest responsible bidder, after due advertisement, excepting contracts which by their nature are not adapted to award by competitive bidding", such as the following:

- Contracts for the services of individuals possessing a high degree of professional skill where the ability or fitness of the individual plays an important part
- Contracts for the printing of finance committee reports and departmental reports
- Contracts for the printing or engraving of bonds, tax warrants, and other evidence of indebtedness
- Contracts for utility services such as water, light, heat or telephone
- Contracts for the purchase of magazines, books, periodicals, pamphlets and reports
- Use, purchase, delivery, movement or installation of data processing equipment, software or services, and telecommunications and interconnect equipment, software, or services
- Duplicating machines and supplies
- Goods or services procured from another governmental agency (e.g. joint purchase)
- Purchase of equipment previously owned by some entity other than the District itself
- Emergency expenditure which is approved by three-fourths of the members of the Board

## Advertised Bids – Purchases of \$25,000 or More

The Park District Code requires the purchase of all goods and services estimated to exceed \$25,000 shall be awarded to the lowest responsible bidder, considering conformity with specifications, terms of

delivery, quality, and serviceability. Before concluding that a purchase in excess of \$25,000 is exempt from competitive bidding, approval must be obtained from the Executive Director and/or legal counsel for the District.

#### Bidding Process:

1. A legal advertisement shall be placed in publications which will give notice of the Park District's request for bids to those organizations best qualified to provide the goods or services.
2. Specifications shall be prepared and made available to all interested parties.
3. Instructions to bidders shall accompany each set of specifications issued, indicating all terms and conditions relative to the bid.
4. The nature of the construction projects necessitates more clearly defined conditions. Instructions to bidders for construction projects shall include all requirements including business references, bid surety and performance bond, insurance, indemnification, protection of district property, compliance with labor standards and prevailing wage laws, subcontract, change orders, payment procedures and guarantees.
5. Following the issuance of "Specifications and Instructions" to bidders, bids received at or prior to the time and date specified will be opened publicly and contracts awarded in conformity with bid opening procedures, as stated below.
6. Sealed bids shall be opened in accordance with the following procedures:
7. The location, date and time the bid opening shall be a part of the legal advertisement for bidders.
8. Bids shall be opened at a location open to the public.
9. Bids shall be opened and an acknowledgement made of the receipt of each bid.
10. After each bid is analyzed to determine whether all specifications have been met, a recommendation shall be made by staff to the Board of Park Commissioners. After Board approval, staff shall notify the approved bidder and finalize the project deadline.
11. In addition to the consideration of the lowest dollar amount of the bid, also considered is the bidder's responsibility (financial stability, responsiveness, experience, past transactions) to meet the expectations and demands under the terms of the contract. If an award is made to a bidder that is not the lowest bidder, the decision must be supported by complete documentation as to the supporting rationale, and must be reviewed by legal counsel for the District.
12. Bids received after the date and/or time indicated in the advertised notice shall be returned, unopened, to the bidder with a notation on the bid envelope or packet stating that it was a late bid, noting the date, and hour it was received, and signed by a representative of the Park District.
13. The Park District reserves the right to accept or reject any or all bids or portions thereof, in the best interest of the Park District and in compliance with Section 8-1(c) of the Park District Code.
14. In the event that all bids are rejected by the Board of Park Commissioners, the project may be rebid following bidding procedures. If bids are rejected, staff shall notify all bidders and establish a new bid opening date. After a new bid opening date has been established, the procedures outlined above shall be followed.
15. The Board reserves the right to award a contract for all or only a portion of the specific bid work.
16. The Board may require a surety bond of any successful bidder.

## Unadvertised Purchases-Purchases under \$25,000

Contracts and purchases of less than \$25,000 are exempt from formal competitive bidding procedures. In such instances the following procedures shall be followed:

1. For purchases estimated to be less than \$2,500, no purchase order is required. Although these purchases do not require verbal or telephone quotes, staff are advised to make every effort to solicit a fair price for items purchased.
2. For the purchase estimated to be between \$2,501 and \$5,000, at least three (3) verbal quotes are required. A purchase order must be completed by staff, and signed by both the Department Head and Executive Director prior to placing the order.
3. For purchases estimated to be between \$5,001 and \$25,000, at least three (3) written quotes are required. A purchase order must be completed by staff, and signed by both the Department Head and the Executive Director prior to placing the order.
4. Open Purchase Order (P.O.) Accounts:
5. Open P.O. Accounts are similar to charge accounts at special stores/vendors. Only specific authorized employees are permitted to purchase items. Items in excess of \$2,500 also require an individual purchase order form.
6. When an authorized employee makes a budgeted purchase from a vendor which has an Open P.O. Account, the following information must be written on the receipt or invoice:
  7. Signature of staff member placing order
  8. The account number to which the purchase is charged
  9. Brief description of the item(s) purchased, if this information is not apparent
10. All receipts and invoices shall be forwarded to the Business Office. When the monthly statement is received, the invoices shall be matched with the items on the statement, and appropriate payment should be made. Disapproval of any invoice item must be communicated to the vendor within 30 days after receipt.

## Emergency Purchases

In the case of emergencies which call for immediate resolution, the Executive Director shall take prompt action to employ persons or firms to do the necessary corrective work but shall require them to furnish a detailed report of the work performed and the basis for performing the work. For the purpose of this paragraph, the emergency shall consist of a threat to the health or safety of park users, or of severe damage to District property. Emergency expenditures in excess of \$25,000 must be pre-approved by three-fourths of the members of the Board.

## Purchasing Procedures

- A. A three-part pre-numbered purchase order form shall be prepared by the staff member placing the order. This form shall include account number(s), quantity/ item description, unit price, extended price, vendor name and address, shipping address, special instructions, and applicable signatures needed for authorization of the purchase. This form must be completed and signed by all levels of staff **prior** to any purchase.
- B. The three-part purchase order/requisition form is color-coded and should be distributed as follows:
  1. WHITE: Original to be given to or sent to vendor, if applicable



2. YELLOW: Sent to Business Office to be retained in an "Open P.O. File."
  3. PINK: Retained by the staff member placing the order until supplies are received or services are completed. Person receiving materials indicates the quantities received, initials and dates the copy, attaches packing slips, and returns it to the Business Office.
- C. In the event that an item is substituted for the item listed on the purchase order form, the recipient shall note the substitution on the receiving pink copy.
  - D. Purchase order forms shall be issued for specific items and purposes. No additional items will be authorized which would significantly increase the cost of purchase. In these instances, the purchase order will be sent to the Department Head and Executive Director for "re-authorization".

### **Other Items**

- A. No contract or order shall be split into parts so as to avoid the provisions of this policy.
- B. A business within the District shall be considered a preferred bidder subject to compliance with the other specific provisions of this Policy.
- C. Whenever feasible and advantageous to the District, cooperative purchases with other governmental agencies such as State of Illinois, Village of Glencoe, School District 35, , and other park districts, shall be made.
- D. The District credit card is not to be used as a routine tool to make purchases. Rather, it is to be used as an alternative if the vendor does not accept a District Purchase Order, or will not invoice us, or a purchase is made on the Internet.
- E. All promotional incentives and contest awards made available to qualifying District personnel by vendors, which are based on District purchases from those suppliers, automatically become the rightful property of the District and must be considered and administered as District owned assets. The incentives referred to above include, but are not limited to, all purchase premiums, sales incentives and/or remunerative awards of any kind (such as merchandise premiums, free goods, offered as part of so-called "baker's dozen" deals, quantity discounts, promotional allowances, cash prizes, special sales commissions, merchandise prizes, etc.) that are made available or awarded by reason of District purchases from vendors.
- F. Whenever feasible and financially advantageous to the District, purchases from joint co-op and stat bid process shall be made.

### **Negotiated Procurement (Non-Bid) Process**

For those items exempt by law from the competitive bidding process, it may still be in the best interest of the Park District to solicit formal written quotes. In these instances, a Request for Proposal (RFP) should be sent to all interested vendors/companies. After a thorough review of the proposals, interviews, and negotiation, a contract can be awarded to the lowest cost quote which meets the objectives set forth in the RFP. Proposal results must be approved by the Board. Examples in which a RFP may be used include auditing services, architectural services, purchase of copier, etc.

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# ACCOUNTS PAYABLE POLICY

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The policy of the Glencoe Park District is to pay bills on a weekly basis, typically on Tuesdays or Wednesdays.

## **Receiving Bills**

Bills arrive to the office by mail or email, and are stamped by the Accounting Manager with the Approval for Payment stamp. They are then distributed to the corresponding staff that is assigned to that account. Staff will review the bill, assign an account code/description, and sign off with a signature and the date. Once this is completed, they are either attached to official Check Request Form or submitted to the Accounting Manager for entry into Incode Accounts Payable System.

## **Entering Bills**

Bills are entered and paid out of Incode. Prior to entry, the Accounting Manager will review for an account code and signature. A bill will be returned to staff if these items are not completed.

## **Getting Approval**

Once all bills have been received, each Tuesday or Wednesday they are batched and entered into Incode. The Accounting Manager will run a Voucher Payable Register and give to the Director of Finance/HR for official review and approval. If all questions have been clarified and no further inquiry is needed, the Director of Finance/HR will inform the Accounting Manager, that the bills are approved for payment. All vouchers are reviewed for accuracy and approval by the Director of Finance/HR and the Executive Director.

## **Paying Bills & Finalizing Checks**

Pending approval from the Director of Finance, the Accounting Manager will print checks.

The checks are printed to pre-printed, pre-numbered check stock. The Executive Director's signature is stamped on all the checks by the Accounting Manager. Two signatures are required for checks that are \$1500 or more. Treasurer of the Park Board is contacted to be the additional signature, or the signature of the Director of Finance/HR is acceptable as the second signature. The Executive Director and the Director of Finance/HR are authorized to sign all refund checks, emergency checks, and checks necessary to cover the payroll.

After checks are printed, the Accounting Manager detaches the top check stub from all checks and attaches the stub to the corresponding bill. Once completed, the Accounting Manager prepares all checks and remittances for mailing to the vendors.

## **Employee Reimbursements/Mileage**

Check requests employee reimbursements or mileage are made according to budget, and the check request must be accompanied by an original receipt (excluding sales tax paid) or mileage reimbursement log.

## **Sales Tax**

All employees must use the Glencoe Park District State of Illinois sales tax exempt number when making a purchase on behalf of the District.

## **Online Payments/Wire Payments**

Glencoe Park District is set up to pay a few vendors online through ACH Payments (Payroll withholding and bond wire payments). The accounts payable process with staff are to be followed in the same manner as previously stated with exception to the final printing of the checks.

The Accounting Manager does not have authorization to release the payments and may only input them in Incode. This provides a safe level of segregation of duties to assist in protecting Glencoe Park District assets. Each bill payment is to be entered separately. A confirmation or documentation for each payment will be printed if possible and is attached to the bill.

ACH bills and confirmations are given to the Director of Finance/HR, who is responsible for coordinating and confirming all ACH payments.

## **Prepayments**

The Park District will not pay for goods and services until the goods are received or the service is rendered. Exceptions:

- Deposits on contracts approved by the Board and/or Executive Director
- Memberships
- Payments to local, state and federal government entities
- Service and maintenance contracts where necessary
- Prepayment approved by the Executive Director or Director of Finance/HR

## **Manual Checks (Early Checks)/Last Minute Check Requests**

Manual or early checks are interim checks issued between normal weekly accounts payable cycle when an emergency or other extenuating circumstance, as determined by the Executive Director, makes it impractical or unreasonable to wait. Since the issuance of manual or early checks circumvents regular approval and are time consuming to issue, this method of payment shall be restricted to unique and special circumstances.

All requests for manual checks must be processed by completing a Check Request Form. The completed form shall include:

- Vendor name
- Vendor address
- Account number to charge for the expense
- Description of the expense
- Explanation in the remarks section as to need for the check
- Appropriate signature(s)

The Business Department will NOT issue manual or early checks in instances where reasonable means could have been taken to process the payment following normal payment methods.

## Prompt Payment Act

The Illinois Prompt Payment Act (50 ILCS 505) provides that the appropriate local government official receiving goods or services must approve or disapprove a bill from a vendor furnished to the organization within thirty (30) days after the receipt of such bill or within thirty (30) days after the date on which the goods or services were received, whichever is later. Written notice is to be mailed to the vendor immediately if a bill is disapproved.

Any bill approved for payment is to be paid within thirty (30) days after the date of approval. If payment is not made within such 30 day period, the vendor may invoice Glencoe Park District for an interest penalty of 1% of any amount approved and unpaid for each month or fraction thereof after the expiration of such 30 day period, until final payment is made.

## Petty Cash Disbursements

Requests for petty cash may be made to the Accounting Manager with a maximum of \$25 per petty cash request per day. Any amount above that limit must be reimbursed via a check request submittal through the accounts payable process. The Executive Director can override and approve a request for petty cash over the established limit.

No one is allowed to take money from petty cash without a Petty Cash Request Form signed by the appropriate supervisor. The employee receiving the petty cash will also sign the request form.

- Staff are required to submit a receipt for Petty Cash.
- When the employee returns a receipt after the money is spent, along with the change (if applicable), the proper dollar amount is recorded, and the receipt is attached to the request form.
- If a receipt is submitted together with the request form, the employee is reimbursed for the expense.
- All receipts **MUST** be original.
- If circumstances prevent an employee from obtaining a receipt, a Missing Receipts Form must be completed and submitted.

All Petty Cash Request Forms must contain the following information:

- Date
- Detailed description of the expenditure
- Name of person(s) receiving the money
- Name of authorizing supervisor
- Account number to which the expenditure will be charged
- Receipt is attached
- Signatures

The petty cash fund should be replenished by the Accounting Manager before funds are depleted. The fund must be replenished on or before the last day of the fiscal year no matter what the amount of disbursements made.

Requests for replenishment of petty cash funds should be made on a Check Request Form by the fund custodian and submitted to Accounts Payable. The request is to be accompanied by the receipts

received during the accounting period. A check from the District will be issued to the custodian of the fund. The check acts as reimbursement to the fund for authorized disbursements of cash.

### **Credit Card Purchases**

Glencoe Park District has provided certain managers a corporate credit card with a set credit limit for use in making purchases. Each individual is responsible for the security of the card and should not permit its use for means other than those permitted by this policy. Credit cards are issued to the Executive Director, Director of Parks, Director of Recreation and the Program Manager of Special Events.

The Administrative Assistant will be in charge of monitoring the credit limits to each credit card. Should an employee need a temporary increase to their credit limit, a submittal, should be sent to the Administrative Assistant while copying the Executive Director for approval.

Employees with credit cards shall submit completed credit card form(s) with receipts attached, to the Accounting Manager, after securing appropriate supervisory approvals if necessary. The credit card cycle ends on the 10<sup>th</sup> of each month, therefore, receipts are due to the Accounting Manager immediately after purchase.

The Administrative Assistant shall maintain a list of the credit cards issued to each employee and shall request that they be returned prior to termination of employment. Returned cards shall be forwarded to the Administrative Assistant or his/her designee, and shall be cancelled.

Consequences for failure to comply with credit card guidelines include:

- Permanent revocation of card
- Collection of unauthorized purchase amounts
- Disciplinary actions that may include termination and legal action

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## OUTSTANDING CHECK WRITE-OFF POLICY

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On an annual basis, the Business Department will review the list of outstanding checks (both accounts payable and payroll) issued by the Glencoe Park District.

The Accounting Manager will send notifications to the Payee at the last known address that payment was submitted but the check or checks were not cashed. The payee will return this notification acknowledging that the check(s) was never received, lost, or destroyed and request reissuance of said payment(s).

Upon receipt of signed authorization by payee and review by the Director of Finance/HR/Human Resources, the Accounting Manager will then issue a replacement check. The original check will be removed from the outstanding check list.

If the Glencoe Park District does not receive notification from the payee, the payment will remain an open item on the bank statement for a period not to exceed 24 months. This outstanding check will be moved to a liability account (Outstanding Check Account) on the District's books until such time as it must be remitted to the State of Illinois, Office of the Treasurer. Each annual report submitted to the State of Illinois will reflect outstanding items seven (7) years prior to the last calendar year.

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# PAYROLL POLICY

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## **Pay Periods/ Timesheets**

The policy of the Glencoe Park District is to pay all full-time and part-time employees on a bi-weekly basis following the approved annual Payroll Schedule. An annual schedule of pay periods is developed and provided by the Business Department. Part-time employees will be responsible for submitting their timesheets in accordance with this payroll schedule after the pay period ends on Friday at Midnight. Supervisory employees from each department must turn in their completed and approved departmental payroll to the Business Department by 10:00 am on following Monday. Employees shall not carry hours over from one pay period to the next. Any timesheets received after 10:00 a.m. will be considered late and processed on the next payroll date. Timesheets must be filled out completely, accurately, signed where required, and approved by the supervisor.

## **Timesheet Review**

Timesheets are received from all employees after the payroll ends at midnight of the designated Friday, the last day of biweekly payroll. The supervisor will review the timesheets for correct dates, times, program names, hours and signatures. If correct, the supervisor codes the timesheet to the correct payroll account number, signs and dates it. If not correct, the supervisor will contact the employee to come in and make the necessary corrections. Disciplinary action may follow. If corrections cannot be made before the payroll cutoff, the timesheet is still to be submitted to the Business Department to be discussed and processed for payment, if possible to resolve. Approved departmental payroll is due to the Business Department by 10:00 a.m. on payroll Monday.

## **Timesheet Preparation**

The Accounting Manager receives all timesheets by 10:00 a.m. on payroll Mondays. The Accounting Manager prepares the timesheets for processing by reviewing all timesheets for employee signature, account number from which to be paid, and the supervisor's signature. If any of these are missing, the Accounting Manager will return to the supervisor for correction. At this point, any timesheets that are out of the current pay period will be pulled and set aside for late timesheet processing.

After all timesheets are reviewed, they are entered into the Incode system. All timesheets from employees who work in multiple departments are combined and hours and gross wages are totaled.

## **Timesheet Processing**

The Accounting Manager enters all hours at applicable rates of pay. Once all hours and gross wages are entered and reconciled, a Summary Register, Detailed Payroll Register, and Distribution Register are run. These reports, along with all of the timesheets, are given to the Director of Finance/HR for review of correct entry and rates. Upon approval, the timesheets are returned to the Accounting Manager and all paychecks/ direct deposit vouchers are printed. All paychecks and direct deposit vouchers are given to the departmental supervisor for pickup/preparation to mail on Payroll Thursday after 3 p.m.

As part of the Incode process, the direct deposit vouchers are printed and a direct deposit file is created. Also, the Director of Finance/HR logs on to Harris Bank online access to upload the direct deposit file and confirmation is attached to the hard copy of this file.

### **Hiring/Salary Ranges for Full-Time Staff**

Based on the periodic salary/compensation study done by the Hay Group, a schedule of salary ranges for each full-time position is maintained by the Director of Finance/HR and is approved annual by the Executive Director. Periodic adjustments are made for the CPI increase as part of the annual review. For those staff who are at maximum salary range, performance bonuses will be given in lieu of annual salary increase.

### **Compensation**

All salary and wage decisions for full-time and part-time employees are at the sole discretion of the Glencoe Park District. Employees will be considered for salary adjustments based on several factors, including without limitation, performance, attendance, safety, attitude, professional appearance, responsibility, initiative and other pertinent aspects of employment. All employees will receive an annual review. Employees receiving an unsatisfactory performance evaluation are not eligible for any wage increase and may be subject to disciplinary action, up to and including dismissal.

### **Wages**

Wages will correspond with the job assigned and all part-time employees will be paid only for actual hours worked.

### **Overtime**

The Glencoe Park District understands that from time to time, overtime hours are unavoidable. For all hourly employees, prior approval by the employee's immediate supervisor is required before the hours are worked. Employees working overtime without approval may be subject to disciplinary action up to and including dismissal. Overtime will be paid at time and a half with the employee's highest rate as the base for calculation.

### **Administration Release**

Exempt employees are expected to perform their job duties regardless of the number of hours required. However, an exempt employee who is assigned specific tasks in addition to his normal workload by his Department Head may be granted time off from work when his schedule and Park District operations permit. Administrative release time must be approved in advance of your performing the additional tasks by your Department Head.

Administrative release time is not and may not be granted on an hour-for-hour basis for each hour worked in excess of 40 per week (i.e., two hours worked over 40 hours does not mean that the you will be granted two hours of administrative release time). Instead, the amount of administrative release time that you may be granted for specific tasks shall be determined by the Department Head in his sole discretion and who shall notify you of the amount of time off granted.



Administrative release time is not a substitute for overtime; exempt employees are not eligible for overtime. Rather, administrative release time is an acknowledgment that during certain times of the year it is in the best interest of the park district for staff work over and above typical work hours. Full-time exempt employees should make every opportunity to use the time within two weeks but may accumulate up to 40 hours of administrative release time within a calendar year. The accrual of additional compensatory time is subject to approval by the Executive Director. All unused administrative release time shall be forfeited at the end of the fiscal year unless the Executive Director determines, in his/her discretion, to allow an employee to carry forward such unused compensatory time for an additional period not to exceed 60 days. Use of the compensatory time shall require at least three days written notice in advance and approval of the employee's immediate supervisor and the Executive Director. Employees will not be entitled to payment of unused compensatory upon their voluntary or involuntary separation from the District.

### **Compensatory Time**

Non-Exempt Employees may be granted compensatory time in lieu of overtime pay when they request it and when, in the discretion of the Department Head, it is in the best interest of the Park District to do so. Compensatory time shall be computed at the same rate as overtime pay. Unless otherwise approved by your Department Head, compensatory time must be used within two weeks from the time it is earned. Any unused compensatory time that was earned for hours worked will be paid to the employee at the overtime rate. For example, if an employee works 2 hours of overtime, he earns 3 hours of compensatory time but if the employee is unable to use this compensatory time, he will be paid 2 hours of overtime, which is equivalent to 3 hours of regular pay.

Compensatory time off shall be granted by your Supervisor unless it will unduly disrupt the operations of the Park District. Except with the written approval of the appropriate Department Head, no more than five (5) days (40 hours) of unused compensatory time may be accumulated by an employee at any time.

Compensatory time will not be granted unless it is agreed to by your Supervisor before the work constituting overtime hours is performed. Employees shall not be allowed to accrue more than 16 hours of compensatory time. Once an employee has reached the 16 hour cap, he/she shall be paid overtime. Any unused compensatory time shall be paid out at the employee's overtime rate on an annual basis in December

### **Payroll Deductions**

Except as required by law or court order, payroll deductions will not be taken without employee's written authorization. Deductions required by law include Social Security, Medicare, Federal and State Income Taxes and IMRF (if hours worked require IMRF participation). Federal or state law determines these deductions. Other involuntary deductions may be made as required by law or court order, such as child support payments and wage garnishments.

## **Recreation Program Discount**

Eligible Park District employees can receive a discount on recreation programs offered by the District. These programs include camp, day care, preschool and enrichment-type classes. The discount varies based on whether you are full-time or part-time, and if you are part-time, how many hours you worked in the previous year.

As required by law, IRS regulates taxable fringe benefits, and as such, the District will tax employees on the applicable portion of their discounted program costs. This portion is considered a taxable fringe benefit to employees and is subject to withholding.

The applicable discount amount is added to your gross wages as a taxable benefit so that Federal withholding, State withholding, Social Security, and Medicare (not IMRF) is paid on that benefit.

## **Direct Deposit**

Employees have the option of signing up for direct deposit to receive their paycheck funds to be electronically deposited into their bank accounts. This may be done at any time during a staff's employment. A request must be submitted to the Business Department. Once completed, it will take two payroll cycles for this to go into effect. The first paycheck after submission of the request will be issued in the form of a live check. The second paycheck after submission will be issued directly to the employee's bank account pending all bank account information has been provided correctly.

All direct deposit and pay card funds will be deposited into the corresponding employee accounts on payday as scheduled on the payroll calendar. An employee will receive a direct deposit notice that reflects the wages paid and any/all deductions withheld.

## **Live Paychecks**

Employee paychecks are available for pick up at the Glencoe Park District office after 10 a.m. on the Friday pay date, as scheduled on the payroll calendar. Any/all employee paychecks that are not picked up by the following Monday will be mailed. Checks in the mail should be received in 3-5 business days.

## **Lost/Stolen Checks**

If an employee does not receive their paycheck after five business days of being mailed, the employee will need to contact the Business Department. Once the report is received, the Director of Finance/HR will verify with the bank that the check has not cleared. If it has not, a stop payment will be processed with the bank. A replacement check will be processed within 1-3 business days of the stop payment order and will be available for pick up at the Glencoe Park District Office, once a \$25 re-issue fee (per lost check) is paid by the employee. If the original check is found after the lost/stolen check report has been submitted, it is to be returned to the Glencoe Park District Business Department.

## **Tax Payments**

The responsibility of the Director of Finance/HR is to submit all Social Security, Medicare, Federal and State Income Taxes to the corresponding agencies within two days of the payroll being processed. These payments are made electronically. The Director of Finance/HR is also responsible for submitting IMRF payment and related reports on a monthly basis.

## **457 Retirement Withholdings**

The Director of Finance/HR will process all 457 Deferred Compensation Plan deductions that were withheld for the payroll cycle, and prepare the related ICMA report. A check for these deduction amounts is issued to the company hold these retirement accounts. The deduction check is prepared and included with the report that is sent, identifying which amounts go into which individual's account.

## **Payroll Bank Account Transfer**

When all paychecks and checks to all individuals and withholding amounts have been printed, the Director of Finance/HR creates all applicable reports for these costs. The Director of Finance/HR transfers this amount from the Glencoe Park District bank account into the payroll account to ensure all payroll transactions are funded.

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## NEW HIRE REPORTING

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Effective October 1, 1998, state and federal laws require all employers to report each new and rehired employee to a state Directory of New Hires (20 Illinois Compiled Statute 1020, and section 212, Personal Responsibility Work Opportunity Reconciliation Act of 1996, 42 U.S.C. 653A). Congress and the states adopted these laws to increase child support collections on both state and national levels and reduce fraudulent unemployment and worker's compensation payments.

As required by this law, the Glencoe Park District is required to report all newly hired employees within 20 calendar days of their start date. Newly hired employees are defined as those individuals who (i) are employees within the meaning of Chapter 24 of the Internal Revenue Code of 1986 and (ii) either has not previously been employed by the employer or was previously employed by the employer but has been separated from that prior employment for at least 60 consecutive days.

Employers are required to report:

- Full-time employees
- Part-time employees
- Seasonal employees
- Interns/Temporary employees, and
- Any employee returning to work who has been off the payroll for 60 consecutive days or more within the same company due to a:
  - Lay-off
  - Medical leave
  - Leave of absence
  - Seasonal leave

The District faxes and/or mails the report to the State of Illinois, and includes the following required information:

- Employer's Federal Employer Identification number (FEIN)
- Employer's company name – name associated with the FEIN
- Employer's address – address associated with the FEIN
- Employee's Social Security number
- Employee's name (specify first, middle, last)
- Employee's home address
- Date of hire (the employee's first day of work for pay)

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## BUDGET PROCESS

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Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, debt service, and capital funds of the District. Project-length financial plans/timelines are adopted for all capital project funds.

The initial budget process starts in early September. By December, all departments of the District submit their budget requests to the Director of Finance/HR/Human Resources so that a comprehensive budget document with supporting summary and narrative information may be prepared. The budget is prepared by fund, department, activity, and individual General Ledger line item, and includes information on the past year, current year projections and budget request for the new fiscal year.

By late January/early February, the First Budget Draft is presented to the Finance Committee of the Whole for review. The Approval Draft of the budget is adopted at the March or April board meeting. Thirty days prior to the scheduled meeting date, a notice is published disclosing the availability of the tentative Budget and Appropriation Ordinance and the date of the public hearing. The Budget and Appropriation Ordinance is approved as part of the April or May board meeting.

The budget is an estimate of actual expenditures and the appropriation represents the legal spending limit. All appropriated amounts lapse at the end of the fiscal year. Spending control for funds is established by the amount of the total appropriation for the fund, but management control is exercised at appropriation line item levels.

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# CAPITAL PROJECTS

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## Statement of Purpose

The Master Plan Capital Project Fund (69) is a capital projects fund established to accumulate funds for future growth and long-term financial planning to fund the projects identified in the District's Master Plan.

## Authority

Section 5-1 of the Park District Code states "that any funds on hand at the end of the fiscal year that are not pledged or allocated to a particular purpose may, by action of the Board of Commissioners, be transferred to a capital fund and accumulated therein, but the total amount of accumulated in the fund may not exceed 1.5% of the aggregate assessed valuation of the all taxable property in the district."

## Annual Interfund Transfers

The Master Plan Capital Project Fund (69) was created in 2012 when funds were first committed by the Board and subsequently transferred to the new fund in proactive planning for the revision of the District's Master Plan which was accepted by the Board in 2015. Each year, after the annual audit is completed, additional funds are committed by the Board in the Corporate and Recreation Funds, per the guidelines established for minimum reserve balances as stated in the District's Fund Balance Policy.

Each year, through the Budget and Appropriation Ordinance, funds are actually transferred to the Master Plan Capital Projects Fund (69). This is done only on the authority of the Board of Commissioners. Note, these monies are in addition to the annual transfer of Corporate tax revenues to the Capital Projects Fund (65) which are for the routine and ongoing capital projects/improvements/equipment of the District.

## Future Master Plan Projects

Projects undertaken in the Master Plan Capital Projects Fund (69) are generally projects that do not recur on an annual basis and fit into one of the following categories:

1. Major park and facility improvements that are identified in the Master Plan which maintain and enhance current building, parks and facilities.
2. Land acquisition of property that is adjacent to an existing park or property that increases park acreage within the District.
3. Improvements that preserve and protect the health and safety of the residents will be given special consideration.

Each June/July, the projects proposed for the following fiscal year are reviewed and prioritized based on current conditions. Typically, the process begins with a District-wide tour and is followed by one or more planning/priority Committee meetings by the Board. The intent is to set the plan for appropriate budget and architectural design services.

**Authorization**

Any monies that are transferred or committed to this fund are governed by the Park District's policies on purchasing, bidding, and fixed asset recording.

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# INVESTMENT POLICY

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## Introduction

The purpose of the Investment Policy of the Glencoe Park District is to define the parameters within which funds of the District are to be managed. In methods, procedures and practices, the policy formalizes the framework for the District's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of those funds. The guidelines are intended to be broad enough to allow staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment of District's funds in accordance with the Public Funds Investment Act [30 ILCS 235].

## Objectives

The primary objectives, in priority of order, of the investment activities shall be:

- **Legality** – The investment activities will conform to federal, state and local legal requirements.
- **Safety** – The preservation of capital and protection of investment principal shall be the primary concern in the selection of investments, investment strategies and depositories. Investments shall be undertaken in a manner that seeks to ensure preservation of capital.
- **Liquidity** – The investment portfolio shall remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated. This can be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.
- **Yield** – Investment activity shall seek to obtain a competitive investment return that is consistent with the objective of preservation of capital while maintaining a reasonable level of portfolio risk. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Securities shall not be sold prior to maturity with the following exceptions:
  - Security with declining credit may be sold early to minimize loss of principal.
  - Liquidity needs of the portfolio require that the security be sold.

## Standards of Care

The standard of prudence to be used by the Glencoe Park District shall be the “prudent person” standard and shall be applied in the context of managing the District's overall portfolio. Investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital, as well as the probable income to be derived.

The above standards are established as standards for professional responsibility and shall be applied in the context of managing the portfolio. Individuals acting on behalf of the Glencoe Park District in the



investment of funds who are acting within in accordance of governing statutes, the Policy and any written procedures developed to carry out this Policy, and who are exercising appropriate due diligence, shall be relieved of personal responsibility in carrying out delegated responsibilities and personal liability for individual security's credit risk or market changes.

### **Delegation of Authority**

The establishment of the investment policy is the responsibility of the Board of Park Commissioners. The management and administrative responsibility is delegated to the Director of Finance/HR/HR as it relates to the following duties:

- Selection of investment securities
- Selection of investment advisors, depositories or other investment service providers
- Reinvestment of investment income whether through interest, dividends or maturity of principal
- Establishment of appropriate procedures to carry out the intent of this Policy

The Board of Commissioners shall exercise continuing oversight of the investments of the District through the Finance Committee of the Whole. The Director of Finance/HR/HR shall report periodically to the Park Board via regular board meetings on the holdings, performance and any failures to meet expectations on the part of investments, investment advisors, depositories or other investment service providers.

### **Authorized Investment Advisors, Broker/Dealers & Financial Institutions**

The policy of the Glencoe Park District shall be to select financial institutions for individual investment, to act as a depository, or to provide other financial services based upon, but not limited to, the following considerations:

- Security – The organizations shall not keep or invest funds that are not covered by the Federal Deposit Insurance Corporation (FDIC). In addition, no funds will be kept or invested in institutions not willing or capable of posting required collateral for funds in excess of the FDIC limits.
- Services and Fees – Fees for banking services shall be mutually agreed upon by the depository bank and the Director of Finance/HR/HR. Whenever possible, the organizations shall cover fees for services by means of compensated balances.

Investment advisor and broker/dealers shall be selected based upon overall experience with Illinois governmental agencies and the ILCS as it relates to the Investment of Public Funds Act [30 ILCS 235]. Any institution or individual acting as an investment advisor shall be legally registered, have appropriate insurance or bonding, and accept fiduciary responsibility for the funds they so advise. In addition, broker/dealers shall be selected on the basis of credit worthiness as well as their ability to obtain competitive prices on securities purchased or sold on behalf of the Glencoe Park District. Additional criteria for the selection or evaluation of an investment, a depository, an advisor or other provider of investment services shall be determined by the Director of Finance/HR/HR based upon the specific purpose required. The Glencoe Park District will take into consideration security, size, location, financial condition, service, fees, competitiveness and local community relations involvement of the financial institution when considering depositories.

All approved depositories must provide the District with their audited financial statements.

### **Authorized Investments**

Any type of security that is allowed for in the Public Funds Act [30 ILCS 235] as summarized below:

- a) Notes, bonds, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America
- b) Bonds, notes, debentures, or other similar obligation of the United States of America or its agencies
- c) Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits constituting direct obligations of the bank as defined by the Illinois Bank Act [205 ILCS 5].
- d) Interest bearing bonds of a park district or any county, township, city, village, incorporated town, municipal corporation or school district. The bonds must be registered in the name of the District or held under custodial agreement at a bank. The bonds shall be rated at the time of purchase within the four highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and political subdivisions.
- e) Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in paragraphs (a) and (b) of this section
- f) Repurchase agreements, subject to the requirements and limitations set forth in 30 ILCS 235/2
- g) Illinois Park District Liquid Asset Fund Plus (IPDLAF), the investment pool sponsored by the Illinois Association of Park Districts and Illinois Park and Recreation Association
- h) Illinois Funds, the Local Government Investment Pool (LGIP) operated by the **Illinois** State Treasurer's Office.
- i) Additional investments may be added to this list as changes to the statutes occur.
- j) Investment in derivative securities is not permitted.

### **Investment Guidelines/Selection**

Glencoe Park District investments shall be limited to those authorized by state or public statute, 30 ILCS235/2 as listed above. When evaluating potential investment alternatives on the purchase date, the net rate of return on any investment shall be taken into consideration. As such, applicable fees for the transactions should be known and taken into account.

In general, the investment philosophy of the Park District is to invest in only secured (essentially risk free), liquid and short-term investments. Maturity dates are based on anticipated cash requirements for the future. Investment alternatives shall be reviewed to determine the best investment with the highest net yield that is consistent with the investment policy objectives of the district. All investments when issued will be in the name of the Glencoe Park District and held in safekeeping by the issuing financial institution.

### **Collateralization**

Funds on deposit in checking accounts and certificates of deposit in excess of FDIC insurance limits must be secured by some form of collateral, witnessed by a written agreement and held in the name of the Glencoe Park District at an independent/third party institution. The Glencoe Park District will accept any of the following assets as collateral:

- U.S. Government Securities
- Obligations of Agencies of the U.S. Government
- Obligations of the State of Illinois
- Any other collateral acceptable for use by the Treasurer of the State of Illinois

The amount of collateralization will not be less than 102% of the fair market value of the net amount of the public funds being secured. A review of the fair value will be secured at least quarterly. Additional collateral will be requested when the ratio declines below the level requested.

### **Diversification**

To the best of its abilities, the Glencoe Park District shall diversify the investments based upon the type of funds invested as well as the individual securities and organizations selected and the cash flow needs of the entities.

To avoid unreasonable risks, diversification of the investment portfolio shall be consistent with the objectives in this Policy.

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- Limiting investment in securities that have higher credit risks,
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government pools and money market funds to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

### **Maturity Scheduling**

Maturity scheduling of the organizations' investments shall be timed according to anticipated need. Investment maturities shall be scheduled to coincide with projected cash flow needs, taking into account operational expenditures, approaching capital projects, timely payments of principal and interest payments, as well as sizable allotments of anticipated revenue. Maturities shall not exceed one year.

### **Application of Investment Income**

Except for cash in certain restricted funds, the District will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds on a monthly basis on the basis of their respective balances and in accordance with generally accepted accounting principles.

### **Reporting Requirements**

The Director of Finance/HR shall provide a written report to the Board of Park Commissioners monthly at its regular board meeting detailing all District investments by type, issuer, interest rate, maturity and cost.

### **Internal Controls**

The Director of Finance/HR shall be responsible for establishing and maintaining an internal control structure designed to insure that the assets of the Park District are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives

are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following:

- Control of collusion
- Separation of transaction authority
- Custodial safekeeping
- Written confirmations of transactions for investments and wire transfers
- Authorizations of wire transfers

### **Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Board of Park Commissioners any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Park District.

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# FIXED ASSET POLICY

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The Glencoe Park District recognizes its fiduciary responsibility for maintaining appropriate controls over the assets entrusted to the District's care. To maintain accurate fixed asset records, information will be centralized in the Business Office of the Glencoe Park District. The Business Office will be responsible for maintaining adequate accounting procedures and records of fixed assets to ensure the protective custody of park district property.

## Definition of a Capitalized Fixed Asset

1. Assets must possess these characteristics to be classified as a fixed asset:
  - Have a useful life greater than one year
  - Must be of significant value, greater than \$5,000
2. Fixed assets valued below the capitalization threshold of \$5,000 (on a unit basis) that warrant control due to their sensitive nature shall be inventoried at the department level where an appropriate list will be maintained. Examples of these sensitive assets may include personal computers, printers, radios, cell phones, and small power tools.
3. Depreciation Policy  
The Park District uses the straight-line depreciation method. Below are the estimated useful lives of the assets.

Land	Not depreciated
Buildings	30 years
Improvements	30 years
Equipment	5 years
Park Equipment	5 years
Vehicles	5 years
Park Equipment	5 years
Furniture and Office Equipment	5 years

## Fixed Asset Categories

General fixed assets should be classified in one of the following major groups:

- Land
- Buildings
- Improvements Other Than Buildings
- Vehicles
- Park Equipment
- Furniture and Office Equipment

## Valuation of Fixed Assets

1. Fixed assets should be valued at **acquisition cost or purchase price** including all ancillary charges necessary to place the asset.

2. Donated fixed assets should be recorded at the estimated fair market value at the time of receipt/acquisition. If fair market value is not practicably determinable due to lack of sufficient records, estimated cost should be used.
3. The total cost of the fixed asset **should include all reasonable and necessary costs incurred to ready the asset for its proper and intended function/use**, such as delivery costs, closing costs, title and legal fees, installation charges and other costs of preparation.
4. Examples of Valuation:

Land	Contract Price Taxes and liens assumed Title search and surveying costs Legal and architectural fees Demolition costs Appraisal/license fees
Building	Acquisition cost Capital improvement structures Property permanently attached to structure Furniture, fixtures, software, and other equipment which are not an integral part of the building are considered capital improvements and should be classified as equipment.
Equipment	Purchase price Transportation/delivery charges Installation costs

5. During the normal course of the life of a fixed asset, periodic repairs and maintenance are necessary to enable the asset to achieve its estimated useful life. **In general, any expenditure which definitely adds to the fixed asset, enhances the value of it, increases its life, or increases its efficiency or capacity beyond its original state may be classified as a fixed asset or part of the original fixed asset.** Examples include adding a room to a building, adding a plow to a pick-up truck; all increase the output of the fixed asset or reduce its cost of operation.
6. The extent that the expenditure **replaces a component of the old fixed asset**, or the entire fixed asset, it should **not** be classified as a fixed asset unless the cost of the old fixed asset is deleted from the fixed asset listing. This will prevent the overstatement of asset values

### Trade-Ins and Disposal of Fixed Assets

1. When an old fixed asset is traded-in to obtain a new asset, the total cost of the old asset should be removed from the fixed asset listing and the new asset should be added to the listing at its fair market value (purchase price **plus** trade-in value), not merely the cash payment.

Example: A new truck with a fair market value of \$15,000 is purchased for \$10,000 in cash and a \$5,000 trade-in on the old truck. The old truck was originally bought for \$8,500. This transaction would be recorded by

1. Deleting the old truck from the listing <\$8,500> and
2. Adding the new truck to the listing \$15,000

2. Disposal of fixed assets are brought about by the sale, retirement, destruction, trade-in, theft or replacement of the asset. In such cases, the asset must be deleted from the appropriate fixed asset listing.

### Record Keeping Procedures

1. In the monthly processing of invoices for payment, staff will copy all invoices which are for the purchase of general fixed assets. As a general rule, most fixed assets are charged to accounts in Funds 65 - 70, or in the capital accounts of the major operational funds and departments.
2. The copy of the invoice should clearly show the vendor, an accurate description of the item(s), and actual costs of the item(s). In **red** ink, the date of payment (i.e. check date), account numbers charged, and location/park site where the item is to be used. If the fixed asset is used in **several** locations, its **primary** location should be listed.
3. At the end of each month, all photocopies are compiled and information related to each fixed asset is recorded on the appropriate log. Fixed asset deletions should be recorded on the appropriate log. All fixed asset additions and deletions are recorded in the Assetmaxx System, and they are recorded by a journal entry in the last month of the fiscal year. At times, it is helpful to copy the fixed asset listing for periodic review by staff for indication of deletions, changes, etc. to the current list.

### Accounting for Fixed Assets

Expenditures for acquiring major fixed assets, include land, building, vehicles, equipment, and furniture (cost \$5,000) shall be recorded in Fund 90:

DR 90-00-000-1500	Land
DR 90-00-000-1510	Buildings
DR 90-00-000-1520	Improvements Other Than Buildings
DR 90-00-000-1530	Equipment and Furniture
DR 90-00-000-1550	Construction in Progress
CR 90-00-000-2900	Investment in General Fixed Asset

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# FINANCIAL REPORTING

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The Glencoe Park District understands the importance of keeping staff and the Board of Commissioners informed of the financial position of the organizations on a regular basis. In order to do this, financial reports are distributed on a timely basis.

## **Monthly Reporting**

Only certain staff has access to Incode reports. Therefore, it is the responsibility of the Director of Finance/HR to provide monthly reports for staff to review on a timely basis (typically within five days of month end). This helps ensure that staff are not deviating from the budget.

On the server (P:/ drive), the Director of Finance/HR will provide the following reports:

- Detail General Ledger Budget Report
- Recreation Program Analysis
- Recreation Program Net Report
- Prior Year Comparison General Ledger Report

## **Monthly Reporting to Board**

At each regular Board Meeting, the Board is provided with three monthly financial reports:

- Financial Summary /Cash Position by Fund
- Financial Summary of Investments
- 3-Year Comparative Summary by Department

Additionally, Board members may see financial documents or other reports upon request.



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# ANNUAL AUDIT

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## Audit Reporting

The financial audit of the Park District is conducted by an independent, certified public accounting firm on an annual basis. As part of the annual audit, the accounting firm will review the Park District's internal controls and will make recommendations for improvements.

The auditor firm will work closely with the Director of Finance/HR to coordinate a timeline for the audit process. After the timeline has been set, the auditors will send a checklist of items to be gathered for fieldwork. It is the responsibility of the Director of Finance/HR to have these items gathered and ready for the auditors when they arrive for fieldwork.

When fieldwork is completed, the audit report is prepared by the auditors. They submit the draft to the Director of Finance/HR for review with their audit opinion. The auditor attends the June Finance Committee of the Whole meeting to present the draft of the audit, explain how the auditing process went, and answer any inquiries the board may have. The board votes to approve the audit.

To meet the filing requirements of the Governmental Account Audit Act, 50 ILCS 310/1-11, the audit must contain the following:

- Statements that conform to generally accepted accounting principles that set forth the financial position and results of financial operations for each District fund and any updates mandated by the Governmental Accounting Standards Board (GASB).
- Financial information as well as findings and conclusions that are adequately supported by evidence in the auditor's working papers.
- The professional opinion of the accountant with respect to the financial statements. If the accountant cannot issue an opinion, he/she must declare so on the report and explain why such an opinion cannot be issued.
- A certification that the audit was performed in compliance with generally accepted auditing standards.
- An audit management letter that provides recommendations for improving the fiscal and management practices of the District, if appropriate.

The District's audit report must be filed with the County Clerk's office within six months after the end of the fiscal year.

A copy of the annual audit report is available online and the Glencoe Public Library for reference purposes. Additional copies of the audit shall be filed with the State Comptroller's Office, Cook County Clerk's Office and the Municipal Securities Rulemaking Board (MSRB) to the extent required to comply with any continuing disclosure undertaking requirements assumed by the Park District in relation to the issuance of any municipal securities.

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# DEBT POLICY

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## Statement of Purpose

The establishment of this policy is for both internal and external identification of fiscal responsibility. The District's primary objective in debt management is to keep the level of indebtedness to within available resources and within the legal debt limitations established by law.

## Debt Philosophy

The District's debt philosophy is to maintain the ability to provide high quality essential services in a cost-effective manner at a minimum cost to the taxpayer.

## Debt Guidelines

The District adheres to the following guidelines when approaching the option of debt as a source of revenue:

- A. Debt is used only to provide financing for essential and necessary capital projects. Long-term borrowing will not be used to finance current operations or normal maintenance.
- B. The goal of providing cost-effective services must be weighed against the ability to borrow at the lowest possible rate.
- C. The benefits of the improvement must out-weigh its costs, including the interest cost of financing.
- D. Financing of the improvement will not exceed its useful life.
- E. All debt issued, including lease-purchase methods, will be repaid within a period not to exceed the expected useful life of the improvements financed by the debt.
- F. The cumulative debt profile will be retired within an average life of 10 years.

## Financing Options

The District will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements. When it has been determined that the incurring of debt is the best available option, the District shall choose from the following alternatives:

- A. Non-Referendum Options – There are several non-referenda debt choices:
  - a. Non-Referendum General Obligation Bonds
  - b. Installment Contracts
  - c. Capital Appreciation Bonds
  - d. Revenue Bonds
- B. Front Door Referenda – These are referenda that require placement on the ballot with voter approval:
  - a. Tax rate increase: The public is approached for either a permanent or temporary increase in the tax rate for specific funds (Corporate or Recreation).
  - b. Referenda Bonds: These unlimited tax general obligation bonds are limited to a 20 year maturity and count against the District's statutory debt limit of 2.875% of the District's most recent Equalized Assessed Valuation (EAV).

- C. Back Door Referenda – Alternate Revenue Source Bonds do not require voter approval, but the District must publish a Notice of Intent to issue. This type of bond does not count against the District’s debt limit nor does it count against the District’s non-referendum authority.
- D. Tax Anticipation Notes – The District will not issue tax anticipation notes.

### **Standards for Debt Issuance**

All debt issued including lease-purchase methods shall be repaid within a period not to exceed the expected useful life of the improvements financed by the debt.

### **Selecting a Service Provider**

The District shall retain an independent financial advisor for advice on debt structuring, the rating review process, marketing debt issuances, sale and post-sale services, and preparation of the official statement.

The District shall retain bond counsel for legal and procedural advice on all debt issuances.

### **Choosing a Method of Sale**

When feasible and economical, obligations shall be issued by competitive rather than negotiated sale.

A sale may be negotiated when the issue is predominantly a refunding issue or in other non-routine situations which require more flexibility than a competitive offer allows.

Whenever the option exists to offer an issue either for competition or for negotiation, analysis of the options shall be performed to aid in the decision making process.

When a sale is not competitively bid, the District shall participate with the financial advisor in the selection of the underwriter or direct purchaser.

### **Bond Rating**

The District shall be committed to establishing and maintaining the best possible rating from a Municipal Bond Rating agency such as Standard and Poor or Moody’s Investor Service so as to minimize borrowing costs. The District shall maintain good communications with the bond rating agencies about its financial condition and will follow a policy of full and open disclosure on every financial report and bond prospectus.

Responsibility for the decision to pursue a bond rating on the district’s bonds will be made by the Executive Director, Director of Finance/HR and the district’s bond consultant. The decision will be based on several factors including the size of the bond issue, the cost of rating process, current park district financial condition, current market conditions, etc. If, after reviewing these factors, it is in the best interests to obtain a bond rating, the Executive Director will advise the bond consultant to initiate the rating process.

### **Arbitrage Compliance**

The District actively monitors its investment practices to ensure maximum returns on its invested bond funds while complying with Federal arbitrage guidelines. The District shall calculate arbitrage

rebates, with review by bond counsel, on all debt issues subject to IRS and U.S. Treasury Department regulations

### **Refunding and Restructuring Options**

The District shall consider refunding debt whenever an analysis indicates the potential for present value savings of approximately 5% of the principal being refunded or at least \$200,000. The District shall not refund less than 5% of its outstanding debt at one time except in unusual circumstances.

### **Bond Post Issuance Compliance**

It is necessary and in the best interest of the District to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for bonds or debt obligations of the District (each a "Bond" and collectively, the "Bonds"), certain of which the interest on which is excludable from "gross income" for federal tax income purposes. Further, it is necessary and in the best interest of the District that (i) the Board adopt policies with respect to record-keeping and (ii) the Compliance Officer shall at least annual review the District's usage of space, independent contractor, and rental agreements to determine whether the Bonds comply with the federal tax requirements applicable to each issue of the Bonds.

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# FUND BALANCE POLICY

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## PURPOSE

The purpose of this policy is to establish fund balance classifications that establish a hierarchy based on the extent to which the Park District must observe constraints imposed upon use of the resources that are reported by the governmental funds. More detailed fund balance financial reporting and the increased disclosures will aid the user of the financial statements in understanding the availability of resources.

The fund balance will be composed of three primary categories: 1) Non-spendable Fund Balance, 2) Restricted Fund Balance and 3) Unrestricted Fund Balance.

## DEFINITIONS

**Governmental Funds** – are used to account for all or most of the Park District’s general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the Park District not accounted for in some other fund.

**Fund Balance** – The difference between assets and liabilities in a Governmental Fund.

**Nonspendable Fund Balance** – The portion of a Governmental Fund’s net assets that are not available to be spent, either short-term or long-term, in either form or through legal restrictions (e.g., inventories, prepaid items).

**Restricted Fund Balance** - The portion of a Governmental Fund’s net assets that are subject to external enforceable legal restrictions (e.g., grantor, contributors and property tax levies).

**Unrestricted Fund Balance** is made up of three components:

**Committed Fund Balance** - The portion of a Governmental Fund’s net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making.

**Assigned Fund Balance** - The portion of a Governmental Fund’s net assets to denote an intended use of resources (e.g. Medical Insurance Reserve).

**Unassigned Fund Balance** - available expendable financial resources in a governmental fund that are not the object of tentative management plan (i.e. assignments). Unassigned fund balance should exist only in the General Fund; for all other governmental funds, unassigned fund balance may only be reported in the case of a deficit fund balance position.

## FUND BALANCE PHILOSOPHY

It is the Park District’s philosophy to support long-term financial strategies, where fiscal sustainability is its first priority, while also building funds for future growth and maintenance of capital infrastructure. It is essential to maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures), to ensure stable tax rates and to maintain current bond rating.. Fund balance levels are also a crucial consideration in long-term financial planning.

## SCOPE

This policy establishes the hierarchy of fund balance and provides for the minimum amount of fund balance each governmental fund should maintain. Credit rating agencies carefully monitor levels of fund balance and unassigned fund balance in the general fund to evaluate the Park District's continued creditworthiness.

## MINIMUM FUND BALANCE LEVELS

This Policy applies to the Park District's governmental funds as follows:

- A. **General Fund** - The General Fund is a major fund and the general operating fund of the Park District. It is used to account for administrative, maintenance, parks, and greenhouse, Watts Ice, and Beach operations, and all financial resources except those that are accounted for in another fund.
  - a. Each year a portion of the spendable fund balance will be determined as follows:
    - i. Committed – A portion of the fund balance may be committed through formal action of the Board of Commissioners either through a resolution or ordinance.
    - ii. Assigned – Fiscal Sustainability. This assigned fund balance will be targeted at a minimum level of 50% of annual budgeted expenditures. This will be adjusted annually with the adoption of the annual budget and is calculated at a minimum of six months (50%) of expenditures not including capital, debt service and interfund transfers.
    - iii. Unassigned – The unassigned fund balance will be reviewed annually during the budget process. Balances in excess of the six months (50%) of annual budgeted expenditures may be transferred to the Capital Projects Fund to support future capital projects.
- B. **Special Revenue Funds** - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes other than debt service or capital projects. Financing for most special revenue funds is provided by a specific annual property tax levy. In some cases, financing is received from admissions, fees and charges for programs and activities. These proceeds are devoted exclusively to the purposes of which the special tax was authorized. Fund balances in special revenue funds (other than the Recreation Fund) are derived from property taxes and are therefore legally restricted to the purpose of the fund.
  - a. Recreation - This fund is a major fund and is used exclusively for planning, establishing, and maintaining recreational programs carried out by the Park District. Financing is provided from fees and charges for programs and activities and an annual property tax levy.

Each year a portion of the spendable fund balance will be determined as follows:

- b. The restricted fund balance for this fund will be targeted at a minimum level of 50% of annual budgeted expenditures. This will be adjusted annually with the adoption of the annual budget and is calculated at a minimum of six months (50%) of expenditures not including capital, debt service and interfund transfers.

- c. Committed – A portion of the fund balance may be committed through formal action of the Board of Commissioners either through a resolution or ordinance.

C. **NSSRA Special Recreation Fund** - This fund is a non-major fund and established to account for revenues derived from a specific annual property tax levy and expenditures of these monies to the North Suburban Special Recreation Association, to provide special recreation programs for the physically and mentally handicapped.

The targeted restricted fund balance of the NSSRA Special Recreation Fund shall be calculated as follows:

- a. The restricted fund balance for this fund will be targeted at a minimum level of 25% of annual budgeted expenditures. This will be adjusted annually with the adoption of the annual budget and is calculated at a minimum of three months (25%) of expenditures not including capital, debt service and interfund transfers.

D. **Retirement/Pension Fund** - The Retirement/Pension Fund is a non-major fund and accounts for the activities resulting from the Park District's participation in Social Security/Medicare and the Illinois Municipal Retirement Fund. Revenues are provided by a specific annual property tax levy which produces a sufficient amount to pay the Park District's contributions on behalf of the Park District's employees. Fund balances in this fund are derived from property taxes and are therefore legally restricted to the purpose of the fund.

The targeted restricted fund balance of the Retirement/Pension Fund shall be calculated as follows:

- a. The remaining restricted fund balance for this fund will be targeted at a minimum level of 25% of annual budgeted expenditures. This will be adjusted annually with the adoption of the annual budget and is calculated at a minimum of three months (25%) of expenditures not including capital, debt service and interfund transfers.

E. **Audit Fund** - This fund is a non-major fund and accounts for the expenditures related to the Park District's annual financial compliance audit which is mandated by State statute. Financing is provided from an annual property tax levy, the proceeds of which can only be used for this purpose. Fund balances in this fund are derived from property taxes and are therefore legally restricted to the purpose of the fund.

The targeted restricted fund balance of the Audit Fund shall be calculated as follows:

- a. The restricted fund balance for this fund will be targeted at a minimum level of 25% of annual budgeted expenditures. This will be adjusted annually with the adoption of the annual budget and is calculated at a minimum of three months (25%) of expenditures not including capital, debt service and interfund transfers.

F. **Liability Insurance Fund/Workers Comp Fund** - These funds are non-major funds and account for the operation of the Park District's insurance and risk management activities. Financing is provided from an annual property tax levy. These funds record the insurance expenditures.

The targeted restricted fund balance of the Liability Insurance Fund and Workers Comp Fund shall be calculated as follows:

- a. The restricted fund balance for this fund will be targeted at a minimum level of 25% of annual budgeted expenditures. This will be adjusted annually with the adoption

of the annual budget and is calculated at a minimum of three months (25%) of expenditures not including capital, debt service and interfund transfers.

- G. **Debt Service Fund** - This fund is a major fund and was established to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The Park District levies an amount based on the principal and interest that is anticipated to be paid per the outstanding bond ordinances filed with the County. The County then adds a 5% "loss" amount. Any fund balance accumulation should be minimal, not less than 15% and not more than 25%. Fund balances in this fund are derived from property taxes and are therefore legally restricted to the purpose of the fund. In instances where fund balance level exceeds 25%, the Board may consider the option of abating a portion of the Debt Service levy amount.

- H. **Capital Projects Fund** - This fund is a major fund established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

This fund's fund balance will be considered restricted, committed, or assigned depending on the intended source/use of the funds.

### **FLOW ASSUMPTIONS**

Some projects (funds) are funded by a variety of resources, including both restricted and unrestricted (committed, assigned and unassigned). The Park District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. If different levels of unrestricted funds are available for spending, the Park District considers committed funds to be expended first followed by assigned and, lastly, unassigned funds.

### **AUTHORITY**

A self-imposed constraint on spending the fund balance (Committed Fund Balance) must be approved by ordinance or resolution of the Board of Commissioners. Any modifications or removal of the self-imposed constraint must use the same action used to commit the fund balance.

Formal action to commit fund balance must occur before the end of the fiscal year. The dollar amount of the commitment can be determined after year end when the annual audit is complete.

Authority for designating fund balance as assigned is delegated by the Board of Commissioners to the Executive Director and Director of Finance/HR/HR.

Typically, the formal resolution to commit funds is approved by the Board in July after the annual audit for the previously completed fiscal year is presented and approved by the Board. The interfund transfers are then budgeted and completed in the following fiscal year budget.

### **MONITORING MINIMUM FUND BALANCE LEVELS**

Park District management staff will monitor revenue collection and available cash by reviewing monthly financial reports. During the year, if there is an expectation that fund balance levels will not be met by the end of the fiscal year, the Executive Director may review all projected operational and capital expenditures with the management team, and accordingly, present a plan to the Board of Park Commissioners for a modification of goals and projects established in the adopted budget.



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# SCHOLARSHIP POLICY

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The Glencoe Park District provides financial assistance/scholarships to residents who are interested in enrolling in a Park District Program but are unable to do so due to financial hardships. Based on the availability of funds, the Park District will attempt to provide financial assistance to those who qualify, if they meet the eligibility requirements. The Park District reserves the right to approve full or partial assistance or deny an applicant's request. Scholarships are limited to:

- \$3,000 annual max for individual family with one child or \$4,500 annual max for a family with two or more children, for ELC or Before and After School Adventures (If the family has scholarship money remaining after attending these programs the balance may be applied to a Glencoe Park District summer camp.)

Or,

- \$1,500 annual max for an individual/family with one child or \$2,250 annual max for an individual/family with two or more children for any other Glencoe Park District program excluding contractual programs, one day trips, and Children Circle

## **Qualifications and Limitations for Financial Assistance**

- Applicant must reside within the boundaries of the Glencoe Park District
- Available for all general recreation programs except Children's Circle, one-day trips and contractual/co-op programs
- Applications must be completed annually and processed by Family Services of Glencoe
- Approval does not ensure continued approval for succeeding programs or seasons
- Placement in requested programs is based on program availability
- The participant's portion of payment is due before a registration can be processed. Registration for Day Camp may be completed prior to scholarship approval, if requested, with a \$100 deposit per person, per program to ensure a spot in the program. Registration does not guarantee scholarship approval. The deposit will be returned if a scholarship is not approved.
- Delinquency on the participant's portion of payment may result in ineligibility for future program participation and /or financial assistance.
- All registration policy and procedures apply to financial assistance/scholarship applicants.
- Scholarships are awarded on a first-come, first-serve basis, on need, as well as availability of funds. The Park District reserves the right to approve full or partial funding or deny an applicant's request.
- Family Services of Glencoe evaluates each application submitted and makes the decision whether or not to grant the scholarship.
- Applicant must provide requested references.
- All scholarship recipients will receive the early bird rate for camp regardless of when they register.

## **Criteria to Determine Scholarship Eligibility**

- The following household size and pre-tax income criteria will be used to determine initial eligibility for financial assistance. Other factors such as current participation in public aid, the food stamp program, subsidized housing, excessive medical bills etc. will also be considered in determining eligibility.

	Qualifies for 90% Subsidy	Qualifies for 75% Subsidy	Qualifies for 50% Subsidy	Qualifies for 25% Subsidy
Household Size	Total Household Income	Total Household Income	Total Household Income	Total Household Income
1	\$14,000 and under	\$14,001 - \$16,000	\$16,001 - \$18,000	\$18,001 - \$20,000
2	\$18,000 and under	\$18,001 - \$21,000	\$21,001 - \$24,000	\$24,001 - \$27,000
3	\$23,000 and under	\$23,001 - \$27,000	\$27,001 - \$30,000	\$30,001 - \$34,000
4	\$27,000 and under	\$27,001 - \$32,000	\$32,001 - \$36,000	\$36,001 - \$41,000
5	\$31,000 and under	\$31,001 - \$36,000	\$36,001 - \$42,000	\$42,001 - \$48,000

### **Application Procedures**

Those who are seeking financial assistance must complete the Financial Assistance/Scholarship Application and also provide the requested documents. Completed applications should be directed to Family Services of Glencoe to review the financial assistance request. The completed application should be submitted a minimum of four weeks prior to the start of the program. The applications will be reviewed and the applicant will be notified of a decision within two weeks of their financial assistance status.

Applications cannot be considered without submitting the documents listed on the application. Missing documentation will delay review of the application until all documents are received. Additional documents may be deemed necessary.

### **Procedures for Administering the Financial Assistance/Scholarship Program**

- Funds must be set aside towards the scholarship program at the time the budget is Board approved.
- Any participants who wish to apply for a scholarship must obtain a scholarship packet from the Takiff Registration Office or Glencoe Park District website.
- Once completed, the financial assistance/scholarship applications should be given to a third party, Family Services of Glencoe (FSG), to determine scholarship eligibility. The applicant must schedule an appointment with FSG to discuss household financial needs.
- A decision will be made regarding the application within two weeks of its receipt.
- Once a decision is made, the top page of the application form will be forwarded to the Registration/Customer Service Manager, via e-mail from FSG.
- The Registration/Customer Service Manager will prepare a letter to be sent to the applicant regarding the decision made by FSG.
- The Registration/Customer Service Manager will enter the eligible scholarship amount, along with the expiration date, into the registration system.
- All scholarship information will be filed in a secure location.
- The participant's portion of payment must be collected prior to processing the registration form.
- All programs must be entered in the system with the appropriate fee and the scholarship needs to be entered as a payment type.
- For those programs that are billed, the billing rate should be set to the patron's portion due after the scholarship is applied during the billing process; payment should be entered in the system less the scholarship portion.
- A list should be created by the Registration/Customer Service Manager, using RecTrac, on a monthly basis with the amount of scholarship given to each participant.
- The scholarship account must be reviewed and reconciled on a monthly basis.

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# NSSRA

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As a partner agency of NSSRA, the Glencoe Park District is required to submit certain funds to NSSRA on an annual basis. Such funds include the Member Agency Contribution, Inclusion Contribution, and Capital Fund Contribution. NSSRA will be responsible for producing invoices to send to the partner agencies for these funds. The following are billings that will go out on a set schedule during the fiscal year.

## **Member Agency Contribution (MAC)**

The Member Agency Contribution (MAC) is based on a calculation using Equalized Assessed Valuation [EAV] and Population for each partner agency. The approved amount is then invoiced in two installments by NSSRA in January and in June of the upcoming year. If these invoicing dates are not conducive, the partner agency has the right to request a different billing schedule. Such request will be submitted in writing to the Executive Director of NSSRA.

## **Inclusion Contribution**

NSSRA provides inclusion services to participants for each partner agency. This service is a straight charge through cost from inclusion payroll that is incurred over the year. However, to ensure NSSRA has sufficient funds to cover this cost, an amount is calculated during the budgeting process to be billed out in two installments. These installments will be invoiced in June and October of the new year. If these invoicing dates are not conducive, the partner agency has the right to also request a different billing schedule. In January, NSSRA will review each partner agency's account and activity for the prior year in order to "true up." If the account is underfunded, an invoice will be sent to the partner agency for the remaining amount by January 31. If the account is overfunded, the credit will be deducted from the upcoming new year's budgeted installments.

## **Capital Fund Contribution**

The Board of Directors for NSSRA voted to collect funds from each partner agency to be used exclusively on the future acquisition of a new building. These funds are collected annually and NSSRA sends this.

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# REVENUE POLICY

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The Budget philosophy of the Park District is to provide a balanced budget that meets the overall park and recreation needs of the Glencoe community. This is accomplished by a combination of user fees and real estate tax dollars. Due to the advent of tax caps, the District is moving toward less of its revenue coming from tax dollars and more from user fees and other sources. The surplus monies generated is for capital projects that the District deem necessary to meet the overall needs of all residents. These would include park development, infrastructure improvements, new equipment, equipment replacement and a variety of other capital expenditures. Each fund has different legal restrictions on whether the District can levy taxes for the fund's purposes, and what those purchases may be.

## **Statement of Purpose**

The establishment of this policy is for the monitoring and control of revenues for the District.

## **Scope**

This Policy applies to all revenue sources of the District.

The basis of accounting for all funds of the Park District's funds is modified accrual basis. The Park District utilizes a modified accrual basis of accounting and budgeting, with revenues being recorded when the services or goods are available and measurable. Fees and charges for these funds are developed in accordance with fee policies identified by the District.

All funds or monies of the District not needed for immediate disbursement shall be invested in accordance with the District Investment Policy. Investment income will be recorded in accordance with generally accepted accounting principles.

## **Overall Objectives**

The Park Board primary revenue policy goal is to maintain a diversified revenue system to protect it from possible short-term fluctuations in any of its various revenue sources. To accomplish this revenues are monitored on a continuous basis to insure that receipts from each revenue source are at maximum levels. An understanding of economic and legal factors, which directly and indirectly affect the level of revenue collections, is an important part of the District's revenue policy. The following objectives are those that are utilized throughout the District's budget cycle as they pertain to revenues.

- A. The District will project its annual revenue through an analytical process and will adopt its budget using conservative estimates and long-term forecasting.
- B. A diversified yet stable revenue system will be utilized by the District to protect it from possible short-term fluctuations in any of its revenue sources.
- C. The District will minimize the use of one-time revenue to fund programs incurring ongoing costs.
- D. The District will, after having considered all possible cost reduction alternatives, explore the possibility of obtaining new or expanded revenue sources as a way to help ensure balanced budget.

- E. Cost recovery revenue sources will be analyzed on an annual basis and modified as necessary to ensure that revenue collections reflect the cost of providing associated District services.
- F. The District will actively oppose State and/or Federal legislation that would mandate costs to the District without providing or increasing a revenue source to offset those mandated costs. The District will continue lobbying efforts to protect current revenues received from State and Federal agencies.
- G. The District will review the budget for those programs that can be reasonable funded by user fees. This review will results in a policy that defines cost, specifies a percentage of the cost to be offset by a fee, and establishes a rationale for the percentage. When establishing these programs, the District will consider:
  - a. Market pricing;
  - b. Increased costs associated with the programs;
  - c. The ability of the users to pay;
  - d. The ability of individuals to make choices between using the service and paying the fee or not using the service;
  - e. Other policy considerations. (For example, setting fines high enough as a deterrent, or pricing fees to even-out resident versus non-resident demand for services).
- H. The District will adjust user fee rates annual based on an analysis of the criteria established above. The District will pursue frequent small increase as opposed to infrequent large increases.

## Grants

The Board shall seek to finance proposed improvements through public or private grants, whenever feasible. The Executive Director and other staff shall be vigilant about exploring all possibilities for obtaining grants and other financial assistance.

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## DEVELOPER/IMPACT FEE POLICY

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Per the intergovernmental agreement entered into between the Village of Glencoe and the Park District in January 2009, the District periodically receives land/cash donations as a condition of approval of a proposed development within District boundaries. Monies received are recorded in Fund 75. Per law, the land/cash donations must be used in the area from where the development occurred.

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# REIMBURSEMENT OF TRAVEL, MEAL AND LODGING POLICY

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- 1.0 **Purpose.** The Board of Commissioners of the Glencoe Park District will reimburse employee and officer travel, meal, and lodging expenses incurred in connection with pre-approved travel, meal, and lodging expenses incurred on behalf of the Park District. Employees and officers are expected to exercise the same care in incurring expenses for official business as a prudent person would in spending personal funds.
- 2.0 **Definitions.** "Entertainment" includes, but is not limited to, shows, amusements, theaters, circuses, sporting events, or any other place of public or private entertainment or amusement, unless ancillary to the purpose of the program or event.
- "Travel" means any expenditure directly incident to official travel by employees and officers of the Park District or by wards or charges of the Park District involving reimbursement to travelers or direct payment to private agencies providing transportation or related services.
- 3.0 **Authorized Types of Official Business.** Travel, meal and lodging expenses shall be reimbursed for employees and officers of Park District only for purposes of official business conducted on behalf of the Park District, which includes but is not limited to off-site or out-of-town meetings related to official business and pre-approved seminars, conferences and other educational events related to the employee's or officer's official duties. If you are unsure whether an expense is reimbursable, please contact the Executive Director.
- 4.0 **Categories of Expenses.**
1. **Airfare:** Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs. Travelers are encouraged to book flights at least thirty (30) days in advance to avoid premium airfare pricing. Only coach or economy tickets will be paid or reimbursed. The traveler will pay for the difference between higher priced tickets and coach or economy tickets with his or her personal funds. The Park District will also reimburse baggage fees up to one bag each way, if not already included in the airfare.
  2. **Personal Automobiles:** Mileage reimbursement will be based on mileage from the work location office to the off-site location of the official business, not from the employee's or officer's residence. When attending a training event or other off-site official business directly from an employee's or officer's residence, no reimbursement will be made if the distance is less than the mileage of a normal commute to the workplace. If the distance is higher than the employee's or officer's normal commute, reimbursement will be paid based on the differential of the commute less the mileage of a normal commute to the workplace. An employee or officer will be reimbursed at the prevailing IRS mileage rate. The traveler will only be reimbursed up to the price of a coach airfare ticket if they drive to a location for which airfare would have been less expensive.
  3. **Automobile Rentals:** Travelers will be reimbursed for the cost of renting an automobile including gasoline expense only as provided in this section. Travelers using rental cars to conduct official business are required to purchase insurance through the rental agency. Car rental insurance will cover the vehicle during personal use, e.g., using the vehicle after the conference has ended. Compact or mid-size cars are required for

two or fewer employees or officers traveling together and a full-size vehicle may be used for three or more travelers. The traveler must refuel the vehicle before returning it to the rental company.

4. **Public Transportation:** In the case of local training or official business where an employee or officer chooses to use public transportation, reimbursement for use of public transportation is based on mileage from the agency office to the training site (not from the traveler's residence), regardless of the transportation method chosen. When attending training or business directly from an employee's or officer's residence, no reimbursement will be made if the distance is less than the mileage of a normal commute to the workplace. If the distance is higher than the traveler's normal commute, reimbursement will be paid at the differential of the commute less the mileage of a normal commute to the workplace.
5. **Other Transportation:** The traveler should utilize hotel shuttle service or other shuttle services, if available. If none are offered, the use of the most economic transportation is encouraged.
6. **Hotel/Motel Accommodations:** The traveler will be reimbursed for a standard single-room at locations convenient to the business activity at approved conference rate for applicable association (NRPA, IPRA, GFOA, etc). Hotel/motel accommodations are to be reserved in advance and secured at a moderate or conference rate. Reimbursement for lodging shall be limited to the number of nights required to conduct the assigned Park District business. If a conference, for example, opens on a Sunday evening and closes Thursday noon, reimbursement for Sunday through Wednesday night would be allowed. In the event of a change in plans or a cancellation, the traveler must cancel the hotel/motel reservation so as not to incur cancellation charges. Cancellation charges will not be reimbursed by the Park District unless approved by a vote of the Board of Commissioners.
7. **Meals:** Meal reimbursement is limited to the current U.S. General Services Administration (GSA) regulations in place at the time the expense is occurred. Prior approval by the Board of Commissioners and submission of receipts are required for per diem allowances. Meals provided by the conference or seminar should be deducted from the per diem allowance. Partial reimbursement may be made for departure and return days based on time. Meals during in-state travel that is not an overnight stay will be reimbursed for actual cost not to exceed the GSA regulations.
8. **Vacation in Conjunction with Business Travel:** In cases where vacation time is added to a business trip, any cost variance in airfare, car rental, lodging and/or any other expenses must be clearly identified on the Travel, Meal, and Lodging Expense Report form and paid by the traveler.
9. **Accompanied Travel (Personal Travel/Travel Companions):** A family member or friend may accompany employees and elected officials on business travel, at their expense, when the presence of a companion will not interfere with successful completion of business objectives. Generally, employees and elected officials are also permitted to combine personal travel with business travel, as long as time away from work is approved and vacation or personal time is used (employees only). Additional or incremental expenses arising from such non-business travel are the responsibility of the employee or the elected official. Where air travel is used, the employee must provide a comparison of the cost of travel for the entire trip versus the cost of travel for only the



business purpose of the trip. For example, and not in limitation of the foregoing, if the business purposes for a trip extend from Wednesday to Friday, but the personal component of the trip extends to Sunday, the employee or officer must provide a comparison of the airfare for both Wednesday to Friday and Wednesday to Sunday for price comparison purposes.

10. **Parking:** Parking fees at a hotel/motel will be reimbursed only with a receipt.

11. **Entertainment Expenses:** No employee or officer of the Park District shall be reimbursed for any entertainment expense, unless ancillary to the purpose of the program, event or other official business.

## 5.0 **Approval of Expenses.**

5.1 **Expenses for Members of the Board of Commissioners:** Travel, meal, and lodging expenses incurred by any member of the Board of Commissioners must be approved by roll call vote at an open meeting of the governing board or corporate authorities of the local public agency.

5.2 **Expenses for Employees:** Travel, meal, and lodging expenses incurred by any employee in excess of the then-current per diem rate established by the GSA, excluding airfare and hotel room/tax as described above, must be previously approved in an open meeting by a majority roll-call vote of the Board of Commissioners.

5.3 **Advanced Expenses:** Travel, meal, and lodging expenses in excess of the then-current per diem rate established by the GSA advanced as a per diem to any employee or official of the Park District must be approved by roll call vote at an open meeting of the Board of Commissioners prior to payment. Documentation of expenses must be provided in accordance with Sections C, D and F of this policy, and any excess from the per diem must be repaid.

5.4 **Other Expenses:** All other expenses that do not fall within paragraphs E.1, E.2, or E.3 are subject to the Executive Director's approval.

6.0 **Documentation of Expenses.** Before an expense for travel, meals, or lodging may be approved under Section E of this Policy, the following minimum documentation must first be submitted, in writing, to the Executive Director on the Request To Attend Overnight Conference/Workshop.

- (1) an estimate of the cost of travel, meals, or lodging if expenses have not been incurred or a receipt of the cost of the travel, meals, or lodging if the expenses have already been incurred;
- (2) the name of the individual who received or is requesting the travel, meal, or lodging expense;
- (3) the job title or office of the individual who received or is requesting the travel, meal, or lodging expense; and
- (4) the date or dates and nature of the official business for which the travel, meal, or lodging expense was or will be expended.

All documents and information submitted under this Section are public records subject to disclosure under the Freedom of Information Act.

**7.0 Travel, Meal, and Lodging Expense Report Form.** The Park District hereby adopts as its official standardized form for the submission of travel, meal, and lodging expenses the Travel, Meal, and Lodging Expense Report form.

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# STATEMENTS OF ECONOMIC INTERESTS

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The Government Ethics Act requires various District officials and employees to file a Statement of Economic Interest with the clerk of the county in which they reside at the time they are appointed, elected, or hired. After the initial filing, District officials and employees must continue to annually file statements by May 1.

The Act requires the following persons to file disclosure statements:

- Persons elected to District office or candidates for election to that office.
- Persons appointed to the Board.
- Persons compensated by the District as employees, not as independent contractors, and who:

Function as the head of a Division, or who exercise similar authority.

Have direct supervisory authority over, or direct responsibility for the formulation, negotiation, issuance or execution of contracts entered into by the District of \$1,000 or more.

Have authority to approve licenses and permits by the District.

Adjudicate, arbitrate or decide any administrative proceeding, or review the adjudication, arbitration or decision of any administrative proceeding within the authority of the District.

Have authority to issue or promulgate rules and regulations within areas under the authority of the District.

Have supervisory authority for other employees of the District.

Failure to file the Statement of Economic Interest at the appropriate time can lead to late filing fees, penalty fees and ineligibility for or forfeiture of office.

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## PREVAILING WAGE ACT

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The District complies with the Illinois Prevailing Wage Act. Annually, in June, the District investigates and ascertains the prevailing rate of wages for the Cook County region for laborers, mechanics and other workers performing construction of public works for the District. Using the research, the Board passes an ordinance during the same month to adopt the prevailing wage rates, as defined in the Act

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# PAYMENT CARD INDUSTRY DATA SECURITY

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## **Policy Statement**

It is the policy of the Glencoe Park District to comply with the Payment Card Industry Data Security Standards (PCI-DSS) for the protection and security of payment card information.

## **Specific Guidelines**

The following items are considered specific guidelines associated with this policy and shall be assigned to corresponding procedures as developed:

1. In order to minimize risk, only those data elements on the payment card that are needed for Park District business should be stored.
2. Access to payment card holder data should be limited to Park District employees requiring such information to complete assigned job tasks.
3. Payment card data on an internet connected computer or processed through the internet, should be protected through a secure network with periodic monitoring of its security.
4. Paper and electronic media that contain cardholder data should be physically secure and identified as confidential information.
5. Payment card data on documents should be redacted, if feasible, when no longer needed for Park District business. Documents with legible payment card data should be destroyed in accordance with the Illinois Records Retention Act with appropriate security handling.
6. Security awareness training should be provided for Park District employees involved in payment card processing.
7. The Park District should assure that its relationships with payment card service providers comply with PCIDSS.
8. The Executive Director should be promptly notified of any information security breach.

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# FEES AND CHARGES

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The Board has found it necessary and desirable for the District to charge fees for participation in District recreation programs and the use of District facilities. This policy is designed to serve as a guide in establishing a fee structure for recreation programs and facility use.

**1.0 Program Fee Structure.** It is the responsibility of the Glencoe Park District to offer diversified and quality, park and recreation experiences. Seeking to meet the demands for new and expanded access to recreation activities, while experiencing the increases in operating expenses, it is the intent of the Park District to adopt a sound, consistent policy for the generation of supplementary revenue to tax dollars.

1.1 All Park District programs will give primary concern to the residents' ability to participate. Activities will be planned with community demographics in mind.

**2.0 Fees and Charges.** Fees and charges will be evaluated annually to make sure that tax revenues are being used efficiently to support basic public services available to all people. Basic public services will be supplemented to support the demand for quality leisure services by assessing fees and charges and pursuing supplementary sources of revenue.

**3.0 Fee Approval.** All park program fees must be presented to the Executive Director for approval annually. The Recreation/Facility Staff will submit with the budget, a report to the Executive Director, which will include the activity name, along with new and old program resident/non-resident fees. The Manager will indicate changes, giving specific explanations for any increase over 5%. If new activity areas are implemented throughout the year, they shall also be submitted to the Executive Director for approval.

**4.0 Waiver of Fees.** The Glencoe Park District wants to give all residents the opportunity to participate in its activities and facilities regardless of financial hardships. Persons requesting scholarships are required to complete an application form, and then submit the form in addition to other requested financial documents, to Family Services of Glencoe for eligibility status. (See Financial Assistance/Scholarship Policy for more details) Applications will be reviewed on an individual basis.

4.1 No fee may be reduced or waived without the consent of the Executive Director, and/or the respective department head, and/or Program Manager.

**5.0 Fees and Charges Guidelines.** Fees and charges are developed to offset the expenses incurred through offering programs and activities. When developing fees for recreation activities, fees will take into account the financial objectives, market climate and surrounding competitors.

5.1 Fees and charges are recommended by staff to the Executive Director for approval. Fees should be set within the budget preparation process. When setting the fee the following must be considered:

- Wages and Services
- Operational Expenses (contractual fees and supplies)
- Improvements/Renovations/Equipment

- Categories of Glencoe Park District Services to determine how much of direct and indirect expenses must be recovered.
  - Direct expenses include all direct expenses associated with an activity including instructor fees, supplies and materials. Fees should be set to recover all of the expense for the program based on expenses times the minimum number of participants.
  - Indirect expenses include all expenses associated with an activity including facility rental, supervisory time, clerical, maintenance, building costs, marketing, etc. An established successful activity should recover the cost of operations including supervisory time, clerical, maintenance and building costs.

6.0 **Resident/Nonresident Program Fees.** Since the facilities and activities are partially subsidized through taxes by residents of the Glencoe Park District, nonresidents will pay a **maximum** increased fee of 20% more than resident rates with the exception of the following unique activities and facilities:

- No nonresident fee applied: senior programming, select special events, select contractual programs, Watts daily ice skating fee and skating passes, and Takiff room rentals.
- Maximum 20% more than resident rates for Children’s Circle

6.1 Due to the unique nature and demand for Glencoe Beach and Boating Beach in the Chicagoland area and the amount of subsidy by tax payers, non-residents will pay the following maximum increase over resident rates:

- 50% more than resident rates for Season Passes at Glencoe Beach
  - 100% more than resident rates for daily fees and trellis rentals at Glencoe Beach
  - 100% more than resident for sail boat/kayak/paddle board storage at Perlman Boating Beach
  - 50% more than resident for sail boat/kayak/paddle board rentals
- \* Due to IDNR and OSLAD Grant the District received in 1996, the nonresident rates/fees cannot exceed twice that charged to residents.

6.2 Non-residents will pay 50% more than residents for pass/daily fee to the Glencoe Fitness Area.

6.3 Occasionally, an activity may warrant a reduction in the non-resident fee in order for the activity to meet its minimum. The Director of Recreation and Executive Director must approve fees and charges for these activities.

6.4 Non-resident fees will be established in regard to the effect on resident participation using the following criteria:

- Size of class and limitations
- Ability to expand and grow
- Special limited interest classes
- Reciprocal agreements and shared activities
- Competitive costing of activities

7.0 **Missed Classes.** Some missed classes cannot be made up and are non-refundable.

- 8.0 **Prorated Fees to Activities.** At the discretion of the Program Manager and Director of Recreation and Facilities, if the nature of the activity permits, prorated class fees will be allowed and done a “per class basis”.
- 9.0 **Discounts to Other Entities.** Village of Glencoe, Glencoe Library and District 35 staff shall be eligible to receive an individual pass, to Glencoe Beach at no charge (They must show a business card or staff ID)
- 10.0 **Fiscal Year.** Categories of Glencoe Park District Services that determine the subsidy of program will be reviewed annually by the Glencoe Park District Board of Commissioners.



## **VII. Discussion of Credit Card Program Policy**

Glencoe Park District  
October 3, 2017 Finance Committee of the Whole Meeting

# Glencoe Park District Credit Card Policy

*Proposed to the Board of Park Commissioners: September 28, 2017*

## **Introduction: Cardholder Setup and Activation Overview**

The Glencoe Park District provides District-issued credit cards to authorized employees for business-use purchases. The District's Credit Card Program is a credit card purchasing program that authorizes the use of a credit card with a credit limit for business purchases.

The Credit Card Program is designed to assist the organization in reducing its reliance on requisitions, purchase orders, petty cash funds, employee advances, paper checks, and reduce the need to use personal funds for business purposes. The program should help increase turn-around in the fulfillment of orders, provide greater flexibility and reduce paperwork.

For the Credit Card Purchasing Program, the Administration/Finance Department is responsible for the implementation, program compliance, issuance, auditing, processing payment, and bank relations to solve customer service issues and card cancellations. The Administration/Finance Department reconciles all statements and maintains the statements/receipts for the Credit Card Program. The Administration/Finance Department shall also be responsible for notifying the appropriate Departmental staff, Department Heads, and Executive Director for any irregularities that occur.

Only employees of the organization are allowed to participate in the program. Each cardholder has the responsibility to review, reconcile and submit their monthly account statement with the appropriate receipts and signatures for processing. The following full-time positions are authorized to use a District credit card: Executive Director, Director of Recreation/Facilities, Director of Parks/Maintenance, Director of Finance/HR, Manager of Marketing/Communications, Program Managers, Facility Manager, Administrative Assistant.

Credit card statements arrive around the 11<sup>th</sup> day of each month and are due to the Finance Department **by the end of the following week**. Typically, the Finance Department is the original recipient of the statements and the Finance Department will forward these statements to the appropriate staff.

All policies outlined in this manual and the District's financial and operational policies must be adhered to and any failure to comply can result in the suspension from the Credit Card Program and also include disciplinary actions that may include termination of employment. The credit card issued to the cardholder is the property of the Park District and can be canceled at any time.

Periodic audits will be performed to ensure the cardholder is in compliance with the policies and procedures.

## **Cardholder Setup / De-activation**

A new participant in the Credit Card Program must complete the Credit Card Application (included in this packet) and obtain the appropriate authorization of the Department Head. The application must be submitted to the Finance Department by the applicant's Department Head.

Once the application has been approved by the Administration/ Finance Department and the bank has processed the request, an account for the cardholder may be established.

The new participant must also sign the User Agreement Form (which can be found in this packet) which outlines the responsibility of the cardholder while in possession and use of the credit card. Both of these documents must be completed and signed prior to the release of the credit card to the cardholder from the Administration/ Finance Department.

When an employee separates from the Glencoe Park District, the credit card must be turned into the Administration/Finance Department (through the appropriate Department Head) on or before the employee's separation date. The Administration/ Finance Department will terminate the card with the bank.

### **Recordkeeping & Reconciliation**

The cardholder is responsible for maintaining adequate receipts for goods and services purchased with the credit card. The "MasterCard Charge" (also known as "Blue Slip") template form should be securely attached to the top of the receipt/documentation. The cardholder must contact the vendor directly to resolve any discrepancies or incomplete orders. The documentation retained should include sales receipts, packing lists (if applicable) and credit card transaction receipts. Any incorrect charges, duplicate transactions or missing credits must be addressed directly between the cardholder and the vendor. Upon completion of the reconciliation, the cardholder and their Department Head or Supervisor *must* sign the statement documenting their agreement with the transactions appearing on their account statement. Employees may not sign off on their credit card purchases.

Employees are responsible for ensuring that the credit card purchases are exempt from sales tax (typically by displaying the tax exempt form – enclosed in this packet).

Items that **cannot** be purchased:

1. Cash advances
2. Liquor or tobacco products
3. Personal use items
4. Illegal items (including but not limited to weapons, controlled substances, etc.)

If the employee inadvertently uses the District's credit card, the employee **MUST** write a check or pay cash to reimburse the District **IMMEDIATELY**. They must notify their Department Head or Supervisor responsible for credit cards who will notify the Finance Department. The employee may write a check or pay cash to reimburse the District.

### **Missing Receipts**

If the cardholder is missing receipts, the cardholder should attempt to contact the vendor to request a copy of the receipt. If the request cannot be honored, the cardholder must then submit a Missing Receipt Form documenting the pertinent transaction information. This documentation must be reviewed and approved by the cardholder's Department Head. A copy of the Missing Receipt Form can be found in this packet.

### **Disputed Transactions**

At times, there might be disputed transactions on a cardholder's account statement. Examples of disputes include but are not limited to the following: due to non-delivery of goods or services, incorrect billing, duplicate billing, missing a valid credit not processed to the account for a return, altered charges, or defective merchandise. When this occurs, the cardholder must contact the Administration/ Finance Department stating the reason for the disputed item and any other transaction details available. The cardholder must also notify the vendor of the discrepancy. The cardholder is responsible for resolving the disputed item with the vendor.

If any employee has a dispute that cannot be resolved by the cardholder, the employee **MUST** contact the Administration/ Finance Department for assistance.

The Administration/ Finance Department must be notified of all disputed transactions within 30 days of the statement date.

**Note on Returned Items:** Items should be returned directly to the vendor by whichever means the vendor requires. It is the cardholder's responsibility to ensure that proper credit is posted for any returned items.

### **Lost or Stolen Cards**

If your card is lost or stolen, the cardholder must immediately notify the Administration/ Finance Department and their Department Head/Supervisor. Upon notification, the card will be suspended immediately and any charges posted to the account after the "missing date" will be denied. A new card will be issued upon completion of an application which indicates that the card is a replacement.

### **Employee Access to Online Services**

Online access will be available so that the cardholder can view their current available credit and to view all current charges they have made.

Cardholders are not permitted to make any changes to the account as they are not signing in under the primary account holder's login/password. Individual cardholder's must share their login and password information with the Admin Office.

**Glencoe Park District  
Credit Card Application Form**

The employee designated below is authorized to apply for and receive a Glencoe Park District credit card.

**First Name:** \_\_\_\_\_ **Middle Initial:** \_\_\_\_ **Last Name:** \_\_\_\_\_

**Department:** \_\_\_\_\_ **Last 4 Digits of SS#:** \_\_\_\_\_

**Statement Address:**           Glencoe Park District  
  999 Green Bay Road  
  Glencoe, IL 60022

**Credit Card Limit** (to be completed by Finance Department): \_\_\_\_\_

Your signature below is verification that you have read and understand the Credit Card Program Policy and agree to comply with it.

\_\_\_\_\_  
**Employee Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Department Head Signature**

\_\_\_\_\_  
**Date**

**Glencoe Park District  
Credit Card Use Policy/User Agreement**

**Cardholder Responsibilities:**

1. I accept full personal responsibility for the safekeeping of the credit card assigned to me and that absolutely no one, other than me, is permitted to use the credit card assigned to me.
2. If the credit card is lost or stolen, I agree to immediately notify my Department Head who will notify the Administration/ Finance Department immediately.
3. A District card may be used for the purchase of goods or services only for official Park District business.
4. I agree to submit receipts and documentation detailing the goods or services purchased, cost, and date of the purchase to the District by the due dates as per this policy in order to reconcile against the monthly credit card statement.
5. I agree to surrender the credit card immediately upon request or upon termination of employment.
6. I understand that I am financially responsible for purchases that are not approved by my Department Head.
7. I understand that I am responsible for ensuring that purchases are exempt from sales tax (typically by displaying the tax exempt form/card – enclosed in this packet).

**Requirements for Use of Credit Card:**

1. The credit card is to be used only to make purchases for the legitimate business of the Glencoe Park District.
2. The credit card must be used in accordance with the provisions of the Credit Card Policy and Procedures established by the Glencoe Park District.

I, \_\_\_\_\_ have read and understand the Glencoe Park District Credit Card Policy and Procedures and I agree to adhere to them.

\_\_\_\_\_  
**Employee Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Department Head Signature**

\_\_\_\_\_  
**Date**

## Glencoe Park District Missing Receipt Form

This form is to be used in the rare circumstances that an itemized receipt was not provided/requested or has been misplaced.

I am requesting vendor payment for the following expenses for which the itemized receipts are unavailable for my accounting:

<b>Date</b>	<b>Amount</b>	<b>Vendor Name</b>	<b>Itemized Description</b>

By signing below, I am certifying that the above amounts are appropriate business expenses incurred by me on behalf of the Glencoe Park District. I further certify that these expenses comply with the requirements of all Glencoe Park District purchasing policies.

I am aware that the District's policy states that an itemized receipt is required for all purchases.

\_\_\_\_\_  
**Employee Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Department Head Signature**

\_\_\_\_\_  
**Date**