
**THE VILLAGE OF WILLOW SPRINGS
COOK COUNTY, ILLINOIS**

ORDINANCE
NUMBER 2016-O-17

**AN ORDINANCE AMENDING THE AUDIT POLICIES AND PROCEDURES OF THE
VILLAGE OF WILLOW SPRINGS, COOK COUNTY, ILLINOIS**

**ALAN NOWACZYK, President
ADENA BASKOVICH, Clerk**

**GEORGE BARTIK
MARIO IMBARRATO
ANNETTE KAPTUR
KEVIN J. MALONEY
KATHRYN STANPHILL
JERRY STRAZZANTE**

TRUSTEES

ORDINANCE NUMBER: 2016-O-17

**AN ORDINANCE AMENDING THE AUDIT POLICIES AND PROCEDURES OF THE
VILLAGE OF WILLOW SPRINGS, COOK COUNTY, ILLINOIS**

WHEREAS, the Village of Willow Springs, Cook County, Illinois (the *Village*) is a duly organized and existing municipal corporation created under the provisions of the laws of the State of Illinois and under the provisions of the Illinois Municipal Code, as from time to time supplemented and amended; and

WHEREAS, the President and Board of Trustees of the Village of Willow Springs (the "*Corporate Authorities*") have determined necessary to further amend its general audit practices and procedures by which to follow with regard to the handling, appropriating and authorizing the use of Village funds.

NOW, THEREFORE, BE IT ORDAINED by the President and the Board of Trustees of the Village of Willow Springs, Cook County, Illinois, as follows:

Section 1. That the above recitals and legislative findings are found to be true and correct and are hereby incorporated herein and made a part hereof, as if fully set forth in their entirety.

Section 2. The Audit Policies and Procedures of the Village, a copy of which is attached hereto and made a part hereof as Exhibit A, is hereby authorized and approved in the form substantially presented to this Village Board with such revisions, if any, as determined necessary by the Village Administrator or Village Treasurer.

Section 3. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity thereof shall not affect any of the other provisions of this Ordinance.

Section 4. All ordinances, resolutions, motions or orders in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 5. This Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

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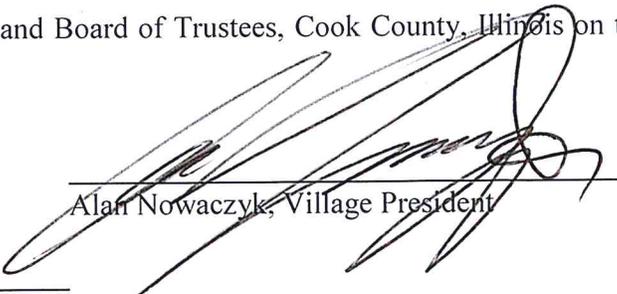
ADOPTED by the President and Board of Trustees of the Village of Willow Springs, Cook County, Illinois this 28th day of April 2016, pursuant to a roll call vote, as follows:

	YES	NO	ABSENT	PRESENT
Bartik	✓			✓
Kaptur	✓			✓
Imbarrato	✓			✓
Maloney	✓			✓
Stanphill	✓			✓
Strazzante	✓			✓
(Mayor Nowaczyk)				✓
TOTAL	0	0	0	7

APPROVED by the President and Board of Trustees, Cook County, Illinois on this 28th day of April 2016.

ATTEST:


 Adena Baskovich, Village Clerk


 Alan Nowaczyk, Village President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION

I, Adena Baskovich, DO HEREBY CERTIFY that I am the duly qualified and appointed Clerk of the Village of Willow Springs, Cook County, Illinois, and that as such Clerk I do have charge of and custody of the books and records of the Village of Willow Springs, Cook County, Illinois.

I DO HEREBY FURTHER CERTIFY that the foregoing is a full, true and correct copy of ORDINANCE No. 2016-O-17 “**AN ORDINANCE AMENDING THE AUDIT POLICIES AND PROCEDURES OF THE VILLAGE OF WILLOW SPRINGS, COOK COUNTY, ILLINOIS**” adopted and approved by the President and Board of Trustees of the Village of Willow Springs, Illinois, on April 28, 2016.

IN WITNESS WHEREOF, I have hereunto affixed my hand and the Corporate Seal of the Village of Willow Springs, Cook County, Illinois this 28th day of April, 2016.



Adena Baskovich, Village Clerk
Village of Willow Springs, Cook County, Illinois

EXHIBIT A

Audit Policies and Procedures

Village of Willow Springs Policies and Procedures

Overview

The following provides an overview of the procedures to be followed by all Village employees in regards to the handling, appropriating and authorizing the use of Village funds. The Village maintains segregated funds within its general ledger accounting system to track and monitor the use of revenues which are designated for specific restricted purposes.

Bank Reconciliations

The Village Treasurer will reconcile all Village bank accounts, cash receipts, cash disbursements and payroll on a monthly basis. All account reconciliations will be double checked and approved by the Village Administrator. For Equitable Sharing Funds the reconciliations will be reviewed and signed off by the Police Chief. A copy of all reconciliation will be kept with the Treasurer for public inspection and audit.

Journal Entries

Journal entries are generated by the Village Treasurer. Journal entries are reviewed by the Village Administrator.

Journal entries within the Equitable Sharing Fund will be generated by the Village Treasurer. The journal entries will be approved by the Police Chief and a copy given to the Village Administrator. The nature of such entries are typically to book accruals for accounts payables or accounts receivables at yearend, record interbank transfers and/or to correct errors which may have occurred during the posting process. Yearend entries will be made in accordance with Generally Accepted Accounting Principles.

Check Authorization and Disbursements

Payment of expenses will be submitted to the Village's accounts payable clerk for payment. Payments will only be processed if submitted documentation includes a valid invoice adequate enough to determine the nature of the expense, the date the expense was incurred, and the amount to be paid. The documentation will evidence the authorization by the appropriate department head's approval for payment and the general ledger account number to be charged. The check will be processed in accordance with the Village's normal accounts payable processing procedures which include the following:

1. Payment is included on the Warrant List of bills to pay pending Board approval. The Warrant List is submitted to the Village Board for approval at the next regular board meeting.
2. Following approval by the Village Board, checks will be processed for payment of all bills requested and approved at the Board meeting.
3. Check and supporting documentation are presented to the Village Administrator and the Village Clerk for signature on the checks
4. Invoices are mailed or delivered as indicated on the request for payment.
5. Invoices and documentation submitted for payment including Department Head authorization will be maintained by the Accounts Payable clerk for submission to auditors and available for inspection as required by the Illinois Freedom of Information Act.

The accounts payable clerk will forward to the Police Chief a report indicating the total checks issued on behalf of the Equitable Sharing Fund. The Police Chief will issue a check from the Equitable Sharing Bank account made payable to the Village of Willow Spring to reimburse the Village for expenses paid. The Police Chief will deliver the reimbursement check to the Village Clerk for deposit to the Village's Account Payable account.

Cash Deposits

Cash payments received by the Village's various departments will be logged in and the monies submitted to the Village Clerk's Office. The Village Clerk, or designee will enter the cash receipts into the cash register indicating source of funds, general ledger account number, and bank account to be deposited. A receipt is generated by the cash receipting system and is given to the department submitting the money. The cash is placed in the cash drawer with all other cash receipts for the day. At the end of the day, the Clerk's office reconciles and balances the daily receipts, prepares the bank deposits. The deposits are placed in the bank bag for delivery to the bank. The daily cash receipt totals are entered in the "daily deposit" spreadsheet. All documentation is kept on file for auditing purposes.

Fixed Assets:

Acceptance of tangible nonexpendable properties: Any tangible property received by the Village must be approved by the Village Board prior to acceptance. Approval is evidenced by completing the Asset Acceptance Form and attaching a copy of the Board's vote, certified by the Village Clerk. Upon acceptance, a copy of the form indicating receipt and delivery of the asset will be forwarded to the Village Administrator and the Village Treasurer.

Equipment records shall be maintained, a physical inventory of equipment be taken at least one every two years and reconciled with the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment adequately maintained.

Record keeping procedure: All department heads who handle federal grants will determine if the purpose of the grant includes the purchase, construction, or other forms of acquisition of fixed asset or equipment. a. If yes, the detailed information of the fixed asset/equipment should be sent to the Village Administrator and Village Treasurer. The information provided by the department head should include but is not limited to:

1. Amount of asset acquired
2. Name, address and contact person for the Federal Agency giving the grant
3. Fund where the asset should be recorded
4. Location of equipment/asset
5. Useful life of the asset
6. Limitation on the use of the asset
7. Complete asset information form
8. Department in charge of the asset will report to Federal Agency before the asset is disposed
9. Department in charge of the asset will maintain a list of controllable asset funded by federal funds. These are assets with value of \$5,000 or more.

The fixed asset duties will be monitored by the following:

1. The Village Clerk will maintain inventory control of the fixed asset including:
 - a. Serial number, make, description, or other identifying marks
 - b. Source of funding
 - c. Name of agency/office who holds the title to the asset
 - d. Acquisition date
 - e. Cost and percentage of Federal participation in the cost of the property
 - f. Location of the property
 - g. Condition and use
 - h. Any ultimate disposition data including the disposition date and sale price of property
2. The Village Treasurer will record the depreciation of the fixed asset in accordance with village's policies.
3. The Village Treasurer will record the accounting journal in the disposition of the asset.

4. The Village Clerk will oversee adherence to the required internal control procedure on asset management.
5. The Village Treasurer will make sure the carrying value of the asset is accurate, and reconciles with the value in the General Ledger.
6. The Village clerk will record disposition or encumbrance of any equipment or real property acquired under Federal awards is in accordance with Federal requirements and that the awarding agency was compensated for its share of any property sold or converted to non-Federal use.
7. The inventory will be carried out every two years, in the odd year. The Village Administrator will compile a list of assets funded by Federal grants and visit the location where the asset is located to verify existence and present condition.
8. The Village Clerk will maintain a list of controllable asset funded by Federal funds. These are assets with value of \$5,000 or more. This is to be compared to the list maintained by the department in charge of the asset.

Inventory will be conducted in March and April of each odd year and a report on the condition will be submitted to the Village Administrator for review. Every November and May of each year, the Village Administrator will send an email to all department heads reminding them that all equipment/assets funded by Federal grants should be reported to the Village Clerk for inventory purposes. The Village Clerk will make the inventory records accessible to the Village Treasurer in order to perform the necessary general ledger reconciliations and depreciation calculations.

Disposal of Village Assets: Prior to disposing of any Village owned asset, a request must be submitted to the Village Board to declare the asset as surplus property. Once the property is declared to be surplus and determined that there is no further benefit for the Village to continue ownership, the Village Board will direct the Village Administrator to affect an appropriate method of disposal. Proceeds from the sale of assets acquired by the Equitable Sharing Program shall be deposited into the Equitable Sharing Fund Bank Account. Copies of bill of sales or receipts of funds identifying the asset sold will be forwarded to the Village Administrator and the Village Treasurer.

Schedule of Expenditures of Federal Awards

The Village Treasurer is responsible to prepare the Schedule of Expenditures of Federal Awards for each fiscal year. The Village Treasurer shall review all final reports for accuracy and will verify the totals prior to submission to the auditor. The Village Board will also review and approve the Schedule prior to the submission to the auditor. This schedule will be submitted to the Village's independent auditors for audit compliance as required by OMB Circular A-133 and *Government Auditing Standards*.

Grant Compliance and monitoring is the primary responsibility of the Head of the Department administering the grant, unless another Grant Administrator has been designated. Each department is responsible for tracking their grant awards and expenditures. All grant awards and expenditures are approved by the Village Board

All federal grant dollars received shall be kept track of by the department by coding the dollars with a specific code that designates the revenue as federal dollars. For all federal expenditures, a listing of the vendor name, fund, original cost, final expense and fiscal year shall be kept track of by the department heads. The Village Treasurer shall verify all federal dollar deposits to each specific funds balance and then verifies these totals with the Village Administrator. If there are any discrepancies, the Village Administrator shall contact the department head.

The grant monitoring reports are due to the Village Administrator and Village Treasurer by May 15th, for the fiscal year just ended, and shall contain the following data:

1. Department reporting information
2. Federal Grantor Agency
3. Pass through State Agency
4. Grant Name, Number, Award Period
5. Amount received
6. Amount disbursed
7. Funds spent but not yet reimbursed
8. Funds received in advance, not yet spent
9. Catalog of Federal Domestic Assistance (CFDA) number

This data will be reconciled to the general ledger. Copies of all grant monitoring reports will be forwarded electronically to the Village Administrator and the Village Treasurer. Paper copies with signatures will be maintained by the Village Clerk as part of the official Village records. Oversight is monitored by the Village Administrator.

All Grant documents are to be executed by the Village President or his designee with the Village Board's approval. Copies of executed documents shall be forwarded electronically to the Village Administrator and the Village Treasurer. The Village Clerk shall retain the original documents as part of the official Village records.

The Village Treasurer will prepare and file the Data Collection Form and Reporting Package to the Federal Audit Clearinghouse no more than 30 days after the Village's auditors submit their reports to the Village Board, or nine (9) months after year end, whichever is sooner.

Village Correspondence

All Village correspondence is to be written on official Village Letterhead. Letterhead should indicate the Village official place of business as *One Village Circle, Willow Springs, IL. 60480.*

Equitable Sharing Agreement and Certification Reports

The Annual Equitable Sharing Agreement and Certification Reports will be prepared collaboratively by the Police Chief and the Village Treasurer. These reports will be done each year. The Village Treasurer is responsible for tracking the federal expenditures, which include the approval of reimbursement requests and the overall monitoring of federal grants. The Village Treasurer is required to comply with the federal filing requirements. The Village Treasurer will ensure the reporting package is complete which shall include, but is not limited to: the Village's financial statements, data collection forms and single audit report. The Village Administrator shall approve the report prior to its timely federal submission. In order to secure timely submission, the Village Administrator shall send an email correspondence and calendar reminder to the Police Chief and Village Treasurer one month in advance of the federal submission due date. Once the annual report is reconciled with the Village's general ledger for the Equitable Sharing Fund, the Equitable Sharing Agreement and Certification Report will be submitted to the Village's independent auditors as part of its annual financial and compliance audit and through the appropriate federal website. The Equitable Sharing Agreement and Certification Report and supporting documentation will be maintained for future auditing purposes.