

**ARTICLE 1
BUSINESS AND FINANCE**

1.1 FISCAL YEAR

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

1.2 BUDGET

The Board of Trustees (the “Board”) shall adopt an annual budget and any additional or supplemental budget which, at the discretion of the Board, may be published in a budget book.

1.2.1 Fund Balance

The unrestricted fund balance shall be equal to 3% of the total annual actual operating expenses within the unrestricted funds (Education Fund, O&M Fund, Auxiliary/Enterprise Fund, and Working Cash Fund). Any excess shall be transferred by the Chief Financial Officer or Treasurer to the O& M (Restricted) Fund during the annual close of the fiscal year.

1.2.2 Policy Guidelines

Guidelines related to policies and financial matters contained herein, will be compiled and disseminated by the Chief Financial Officer.

1.3 FINANCIAL REPORTS

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

1.4 DEPOSITS

All funds of the District shall be deposited from time to time to the credit of the District in Board-approved banks, trust companies or other depositories upon recommendation of the Treasurer with approval of the Chief Financial Officer.

1.4.1 Agency Account

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

1.5 INVESTMENT AND DEPOSITORY POLICIES.

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

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

investment trade shall be subject to approval of the Chief Financial Officer prior to trade date. In accordance with the Policy, the Treasurer shall submit a written quarterly report to the Board summarizing all transactions in sufficient detail to enable the Board to determine that the transactions are in accordance with its investment policies and state law. The Treasurer shall make an annual presentation to the Board.

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

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

1.5.1 Authorization of Investment Representatives.

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

1.5.2 Other Financial Policies.

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

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

1.5.3 Certification of Investment Policies.

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

1.6 PAYMENT TERMS

In order to maintain compliance with the State Prompt Payment Act, City Colleges of Chicago (CCC) will pay all invoices within 60 days from the final invoice receipt date (Net 60).

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

1.6.1 Disbursement Authority

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

All issued checks shall require two (2) digital signatures from among one of the following: the Board Chair, the Treasurer or other signatory authorized by the Board.

All payments in an amount in excess of \$500,000 shall require an additional manual approval from among one of the following: the Chief Financial Officer, Associate Vice Chancellor of Finance or other signatory authorized by the Board prior to release of the payment.

1.7 CASH RECEIPTS POLICIES

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

1.7.1 Vault/Safe Access

Physical access to the business office vault/safe must be limited to the Executive Director or designees.

Access to funds deposited into the electronic safes will only be granted to the Board approved armored car vendor.

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

1.8.1 Allocation

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

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

1.8.2 Student Activity Fund

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

Student Government may submit requests to the appropriate administrative office of the College

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

1.8.3 College Newspaper

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

1.8.4 Board Regulations Regarding Expenditures

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

1.8.5 Authorization of Student Activity Expenditures

Student requisitions will be authorized and processed by the College in accordance with Section 2.2 of the Board Policies and Procedures for Management and Government.

1.8.6 Student Travel

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

1.8.7 Budgeting Guidelines

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

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

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

Each Student Government budget shall indicate appropriations in the form of specific line items and shall be developed with consideration given to the total allocation and alternative plans for its use.

1.8.8 Relationship with the College Business Office

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

1.8.9 Agency Account Withdrawals

Withdrawals from an Agency Account will be processed by the College in accordance with the student club operations manual and shall comply with all District procurement policies and procedures.

1.8.10 Student Government Responsibility for Funds Allocated

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

1.9 TRAVEL REIMBURSEMENT AND ALLOWANCE POLICY

The primary means of purchasing valid goods and services necessary for conducting City Colleges of Chicago (CCC) business is the procurement process and not the reimbursement process.

1.9.1 Acknowledgement Agreement

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

1.9.2 Allowable/Unallowable Types of Expenditures

Allowable:

Employees may incur reimbursable expenses in the course of doing CCC business, which may include taxi fare for times when public transportation is not available; travel expenses for pre-approved conferences; mileage, etc., that are allowed as detailed under this travel policy and district procedures.

Unallowable:

Below is a listing of expenditures that are not considered appropriate when conducting CCC business. This listing is not intended to be an exhaustive listing of all unallowable expenditures. If in doubt about a potential expenditure, the employee should discuss with his/her manager or the Chief Financial Officer (CFO).

Unallowable/Restricted Expenditure Types

- a. Local Business Meals (within the 50-mile Chicago Metropolitan Area), except where contractually obligated per bargaining agreement or when an Officer of the District (OD) conducts an important business meeting with a current or potential business partner, as long as request for reimbursement is properly documented and approved in advance).

- b. Refreshments/Food (for meetings), except for student-related events and CCC-wide faculty and staff professional development events only.
- c. Food, Supplies or Other Costs (for employee events/holiday parties/birthdays etc...)
- d. Gifts/Flowers/Gift Cards
- e. Alcoholic Beverages/Tobacco Products/Controlled Substances
- f. Personal Items or any other item deemed inappropriate/unnecessary
- g. Sponsorships/Donations
- h. Entertainment/Recreational Activities
- i. Appliances (e.g., microwaves, refrigerators, coffee makers)
- j. Kitchen Textiles (e.g., napkins, cups, utensils used in break rooms)
- k. Office Decor Items
- l. Traffic Citations/Parking Violations/ Fines and Penalties
- m. Sporting Goods
- n. Personal Car Washes or car washes for company vehicles done outside of CCC's approved contracts
- o. Cash Advances except those provided for student related activities and those provided to coaches, per the athletic policy/guidelines
- p. Capital Equipment/Construction Office Supplies
- q. Software and Related Licensing Agreements
- r. Professional or Trade Licenses required for employment (unless stated in bargaining agreement or prior approval granted by CFO)
- s. Supplies and Materials for which CCC has a contract to purchase

1.9.3 Travel and Expense Reimbursements

Employees traveling on behalf of and for the benefit of the District are expected to exercise good judgment in managing travel costs and make every effort to ensure that the cost of travel is as economical as possible.

Travelers must comply with **all** District travel and reimbursement policy/procedures; as well as state statutes, which include but are not limited to:

- a. Maximum allowable reimbursement for hotel, meal and incidental expenses (outside Chicago region **only**, unless **prior** written exception has been granted by CFO) will be based on GSA per diem rates set by the federal government each year (rates change each October) determined by the travelers destination. The GSA search tool is available at this link <http://www.gsa.gov/portal/category/104711> .
 - Any amount to be reimbursed to an officer or employee of the district that **exceeds** the maximum allowable reimbursement will require a roll call vote by the Board. In the case of

an emergency or extraordinary circumstances, as approved by the CFO or Chancellor, expense may exceed the maximum allowable amounts but require ratification by the Board at the next scheduled Board meeting.

- Meals are reimbursed at 75% of the per diem rate for the first and last day of travel.
 - Meals will **not** be eligible for reimbursement when they are included in the cost of the conference or event.
- b. Travelers covered by a collective bargaining agreement are required to comply with all district travel and expense reimbursement policies and procedures, including per diem maximums, as stated in paragraph 1.9.3.a. Total reimbursement will equal the maximum allowable per traveler outlined in their collective bargaining agreement (e.g., hotel, meals, registration, and transportation). See section 1.9.3.a which requires a roll call vote by the Board, if maximum is exceeded.
- c. Travelers **not** covered by a collective bargaining agreement are required to comply with all district travel and expense reimbursement policies and procedures and will be reimbursed up to the per diem maximums, as stated in paragraph a. above. The maximum allowable reimbursement for modes (air, rail, bus and car rental) of transportation will be \$1,000.00. See section 1.9.3.a which requires a roll call vote by the Board, if maximum is exceeded.
- d. Prior authorization, excluding mileage for local travel (50 miles or less).
- e. Identified available funding is required for all reimbursements, regardless of dollar amount.
- f. Expenditures that are prohibited by District procurement policy and procedures; as well as state statutes are unallowable and are not considered appropriate when conducting business on behalf of the District.
- g. Supporting documentation is required to be submitted timely for all travel expense requests to appropriately substantiate expenses, regardless of dollar amount.
- Employees **must** electronically submit a completed signed Expense Reimbursement Report Request along with supporting documentation for the allowable business expenditures **within 15 business days** of purchase or last day of travel to his/her manager (first line approver) for approval. If the request is submitted for approval after the 15th business day the Office of Finance has the authority to reduce the Employee Expense request up to 20%.

All expenditures must be substantiated by the following supporting documentation:

- Reason and purpose of the purchase, as well as why the item was not purchased via the normal purchase order/procurement process.
- Original receipts with proof of payment, which include vendor name, date of purchase, individual items itemized with exact dollar amounts.
- Additional supporting documentation (packing slips, etc.) must also be original. This would include documentation of any pre-approval for expenditures.
- In case of cash advance, if the authorized reimbursement request and supporting documentation is not submitted within 30 days, the advance may be included as taxable income on the recipients W-2.

- If original receipts and/or supporting documentation are unavailable the employee must provide a written explanation and signed certification stating the reason the original is unavailable.

1.9.4 Mileage

Public transportation or the District shuttle are the preferred methods of local transportation; although it is recognized that there are times when these modes of transportation may not be feasible due to location, timing, equipment/materials, and/or security reasons.

Local mileage reimbursement is for travel related to the performance of an employee's regular job duties (e.g., occasional required meetings and/or professional conferences within the city).

Travelers must comply with all District travel and reimbursement policy and procedures; as well as state statutes, which include but are not limited to:

- The use of the employee's personal automobile will be reimbursed at the current **IRS published rate for authorized official travel**.
- Must be a full-time or part-time CCC employee. Employees who are assigned a CCC- owned vehicle are not eligible for mileage reimbursement.
- Must be a Licensed driver and carry insurance that meets or exceeds minimum policy limits, as required by Illinois State Statutes
- Responsible for all parking/red light violations and moving violations incurred while driving.
- Independent consultants and contractors are not eligible for mileage reimbursement.
- Supporting documentation is required to be submitted timely.

1.9.5 Vehicle Allowance

Employees who travel frequently as part of their core responsibilities will receive a monthly allowance approved by the Board. Individuals who receive a vehicle allowance may not submit fuel, parking or mileage for reimbursement.

- Employees holding the following titles will receive a \$175 monthly vehicle allowance:
 - Director of Business Development
 - Associate Director of Legislative Affairs
 - Community Affairs Liaison
 - Community Outreach Worker and College Recruiter

1.9.6 Authorization for Trustee reimbursement

Any reimbursement to a Trustee, regardless of amount, requires a roll call vote by the Board for approval.

1.9.7 Noncompliance

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

1.9.8 Fraud

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

1.9.9 PETTY CASH POLICY

Petty Cash funds (including Contingency funds) are prohibited.