



## COOK COUNTY LAND BANK AUTHORITY PROCUREMENT CODE MANUAL

April 24, 2014

### 1. GENERAL

- i. The Board of Directors formulates financial policies, delegates administration of the financial policies to the Executive Director, and reviews operations and activities.
- ii. The Executive Director has management responsibility including fiscal management.
- iii. Job descriptions will be maintained for all employees, indicating financial duties and responsibilities.
- iv. Financial duties and responsibilities must be separated so that no one individual has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts; etc.
- v. The Executive Director shall be responsible for day-to-day financial management, with supervision exercised by the Treasurer. The Treasurer will have access to all books, records, and accounts, as required to exercise supervision.
- vi. The Executive Director or designee will maintain a current and accurate log of the chart of accounts.
- vii. These policies and procedures will be reviewed annually by the Board of Directors.

### 2. CASH RECEIPTS

- i. The Executive Director *or* designee opens any mail addressed to the agency. A log of the receipt of checks or cash will be maintained.
- ii. The Executive Director or designee will endorse all checks by using the endorsement stamp for the checking account.
- iii. The checks and cash will be deposited with 3 business days by the Executive Director or designee.

- iv. A copy of all checks and the corresponding deposit slip will be made prior to deposit and filed chronologically. A backup copy of checks may be filed in the appropriate vendor or donor file.
- v. No disbursements will be made from cash or check receipts prior to deposit.
- vi. The agency's Treasurer will receive a copy of all deposit reports for review.

### **3. CASH DISBURSEMENTS**

#### **a. CHECK AUTHORIZATION**

- i. All invoices will be immediately forwarded to the Executive Director or designee who will review all invoices for mathematical accuracy, validity, conformity to the budget (or other board authorization) and compliance with bid requirements.
- ii. Prior to payment, all invoices will be approved (indicated by initialing) by the Executive Director or designee, who will code the invoice with the appropriate expense code or other chart of accounts line item.
- iii. By approving an invoice, the Executive Director or designee indicates that it has been reviewed and submits the invoice for payment to the County.
- iv. The Executive Director or designee will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled, including inventorying items received against packing slip counts. The Executive Director or designee is responsible for timely follow-up on discrepancies and payment.
- v. Approved invoices will be entered into the CCLBA accounting system and forwarded for payment to Cook County. The Executive Director will be responsible for monitoring the payment of invoices and reporting on the status of outstanding invoices to the Treasurer.
- vi. Authorized signers include the President, Vice President, Secretary and Treasurer of the agency's Board of Directors. Two signatures are required to approve payment on all expenses above \$5,000, with the exception of payroll checks, unless express written authorization is provided by one of the authorized signers.
- vii. On all submitted invoices outstanding over 90 days, the Executive Director or designee will take appropriate action to resolve the outstanding invoice.
- viii. The Executive Director or designee will collect checks for approved invoices from the County and be responsible for distributing them to the payee.

- ix. In no event will invoices be paid unless approved by an authorized signer
- i. The Treasurer of the Board of Directors will receive monthly statements of checks paid on all accounts.

#### 4. PURCHASING

##### a. PURCHASES UNDER \$1,000

- i. The Executive Director is authorized to purchase any items necessary to conduct the business of the CCLBA, whose aggregate value is less than \$1,000.
- ii. The Executive Director is responsible to know if the item ordered is within the budget and guidelines.

##### b. PURCHASES \$1,000 up to \$5,000

- i. All purchases valued at \$1,000 up to \$5,000 may be completed by the Executive Director, but such purchases must be reported to the Board of Directors at the first meeting following the date of purchase.
- ii. To the extent possible, the Executive Director shall make all purchases through the use of a purchase contract. Copies of such contracts shall be maintained in paper form at the offices of the CCLBA and be available for review by the Board of Directors.
- iii. The Executive Director is responsible to know if the item ordered is within the budget and guidelines.

##### c. PURCHASES OVER \$5,000 up to \$150,000

- i. All purchases, including services, over \$5,000 and up to \$150,000 must be approved in advance by the Board of Directors.
- ii. All requests for services to be purchased with aggregate value over \$5,000 and less than \$150,000 shall be provided in written form on the CCLBA website, with a specific description of the services or items requested, the qualifications of providers, the timing of anticipated delivery, and other terms and conditions as may be necessary to ensure an open and fair bidding process.

##### d. Purchases over \$150,000

- i. All purchases over \$150,000 in aggregate value will be competitively bid according to the Cook County Procurement Code.

- ii. A service or item may be procured through a sole source process if it can be demonstrated that the service provider possesses unique or specialized skills unlikely to be otherwise available in the open marketplace.
- e. Other
  - i. All bid requests will contain clear specifications and will not contain features which unduly restrict competition.
  - ii. The Executive Director will be responsible to ensure that all conditions and specifications of a contract, bid, or order have been satisfactorily fulfilled and will be responsible for timely follow-up of these purchases.
  - iii. The Executive Director will obtain at least three bids wherever possible unless prior approval by the Board of Directors has been obtained.
  - iv. All services for which bids are requested will not be fragmented or reduced to components of less than the threshold limits to circumvent or avoid the bid process.

## **5. PAYROLL**

### **a. TRACKING TIME**

- i. All employees will be responsible for recording start and end times for all work hours using the system approved for use by the CCLBA.
- ii. Requests for sick time, vacation time, or comp time, having been made in advance as per company policy, will be recorded in the electronic file and entered in the employee's personnel file.
- iii. The Executive Director or designee will verify the all times recorded for work.
- iv. Employees will be paid according to the Cook County calendar of payments.(THIS NEEDS TO BE CLARIFIED WITH HR).

### **b. PAYROLL**

- i. Unless there is a compelling reason otherwise, all employees will be paid by direct deposit.
- ii. Voluntary terminations will be paid at regular pay date. Involuntary terminations will be paid on day of separation.

### **c. BENEFITS**

- i. Payroll will be prepared in accordance with the personnel policies and benefit plan.

## **6. TRAVEL & EXPENSES**

- i. Non-Local Business Travel
  - 1. The Executive Director must approve employee non-local business related travel prior to its occurrence. All expenses incurred during approved non-local travel shall be documented on a Travel Expense Voucher.
  - 2. Travel Expense Vouchers shall be submitted by the employee not more than 5 business days following the last day of travel. The employee is responsible for obtaining all receipts to document travel expenses and for submitting hard copies of same with the Travel Expense Voucher.
  - 3. Travel expense vouchers covering non-local travel expenses incurred by the Executive Director will be submitted to and reviewed by the Board Treasurer. The Board Treasurer is authorized to approve payment by signing the travel expense voucher.
  
- ii. Normal and Customary Business Expenses
  - 1. Each employee will complete an Expense Voucher, documenting any normal and customary business expenses incurred by the employee using personal funds, including local travel, meals, incidental purchases, and related items.
  - 2. Expense Voucher will be submitted within five business days after the end of the month during which the expenses were incurred for payment. The Expense Voucher will be signed by the employee and authorized for payment by the Executive Director or designee.
  - 3. Expense vouchers covering normal and customary expenses incurred by the Executive Director will be submitted to and reviewed by the Board Treasurer. The Board Treasurer is authorized to approve payment by signing the expense voucher.
  
- iii. Incomplete Expense Vouchers will be returned.
  
- iv. Employees will be reimbursed for local travel and other related expenses at the rate set by the Board of Directors.
  
- v. Use of a personal car will be reimbursed at no more than the standard mileage rate for the business use of a car as established by the IRS. The mileage rate will be established annually by the Board of Directors.
  
- vi. Any item with value over \$25 for which reimbursement is requested should be documented with a printed receipt.
  
- vii. The Executive Director shall be responsible for determining the appropriate reimbursement rate on meals and entertainment and may

disallow such expense which appears to be contrary to the efficient and prudent expense of CCLBA funds.

## **7. CONSULTANTS**

- i. Consideration will be made of internal capabilities to accomplish services before contracting for them.
- ii. Written contracts or engagement letters clearly defining work to be performed, terms and conditions will be maintained for all consultant and contract services.
- iii. The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants.
- iv. Consultant services will be paid for as work is performed or as delineated in the contract.
- v. The Board of Directors will approve audit and other significant contracts.
- vi. Retention and use of consultants shall comply with the Cook County Procurement Policy and other applicable statutes.

## **8. EQUIPMENT**

- i. Equipment shall be defined as all items (purchased or donated) with a unit cost of \$1000 or more and a useful life of more than one year.
- ii. The Executive Director or designee will maintain an inventory log; which shall list a description of the item, date of purchase or acquisition, price or fair value of the item and its location.
- iii. A depreciation schedule shall be prepared at least annually for the audited financial statements.
- iv. The Executive Director or designee will record all equipment in the accounting system.
- v. An entry must be made whenever property is disposed of or acquired.

## **9. LEASES**

### **a. REAL ESTATE**

- i. The Executive Director will review leases prior to submission to the Board of Directors for approval.
- ii. All leases, clearly delineating terms and conditions, will be approved by the Board of Directors.

- iii. The Executive Director or designee will keep a copy of each lease on file.

b. EQUIPMENT

- i. The Executive Director will review all equipment leases.
- ii. All leases, clearly delineating terms and conditions, will be approved and signed by the Executive Director.
- iii. The Executive Director or designee will keep a copy of each lease on file.

**10. INSURANCE**

- i. Reasonable, adequate coverage will be maintained to safeguard the assets. Such coverage will include property and liability, worker's compensation, directors and officers' liability, employee dishonesty and other insurance deemed necessary.
- ii. The Executive Director will carefully review insurance policies before renewal.
- iii. The Executive Director or designee will maintain insurance policies in insurance files.
- iv. Insurance policies will correspond to the Cook County fiscal year whenever possible.
- v. The Executive Director or designee will prepare and maintain an insurance register and provide copies to the Board of Directors annually.

**11. BOOKS OF ORIGINAL ENTRY**

- i. Adequate documentation will be maintained to support all journal entries.
- ii. At the end of each month, the Executive Director or designee will prepare a Statement of Financial Position, Statement of Activities, Employee Liability Balances, Accounts Payable, Accounts Receivables, and Statement of Activities by Project that will be reviewed by the Authority's Treasurer.
- iii. The Statement of Activities report will include a comparison to the budget.
- iv. Accounting records will be maintained on the accrual basis of accounting in a manner that facilitates the preparation of audited financial statements in conformity with generally accepted accounting principles.

**12. GRANTS AND CONTRACTS**

- i. The Executive Director will carefully review each award and contract to ensure compliance with all financial and programmatic provisions. The Executive Director or designee will maintain originals of all grants and contracts in a file.
- ii. The Executive Director or designee will prepare and maintain on a current basis a Grant/Contract Summary form for each grant or contract awarded. This form shall include the name, address, contact person, and phone number for the funding organization; the time period applicable to expenditures; all significant covenants (such as bonding or liability insurance requirements) and restrictions on expenditures; all required financial and program report and due dates; and the chart of accounts line item number for the revenue deposited.
- iii. Executive Director will review and approve all reports to funding sources.
- iv. Executive Director will insure that all financial reports are submitted on a timely basis.

### **13. BUDGETS**

- i. The Executive Director or designee will prepare the financial budget.
- ii. The Executive Director or designee will insure that budgets are on file.
- iii. The Board of Directors must approve any proposed changes in the budget.

### **14. LOANS**

- i. [INTENTIONALLY BLANK]

### **15. REAL ESTATE**

- i. The Executive Director or his designee may accept by donation or through purchase interest in real property, as per the CCLBA Policies & Procedures for Acquisition and Disposition of Real Property.
- ii. For the purposes of record keeping and reporting, the Executive Director or his designee shall record for each property all costs associated with each property from the date of acquisition. A record of such costs shall be prepared, in aggregate form for each major cost item, as part of the report provided to the Board of Directors.
- iii. A list of each property held by the CCLBA, along with the current aggregate holding costs associated with the property, shall be provided to the Board of Directors as part of the standard monthly reporting.



- iv. The Executive Director, or his designee, shall provide other reports on interest in real property held by the CCLBA as requested by the Board of Directors.

## 16. OTHER

### a. NON-PROGRAM INCOME

- i. Donations of cash and non-program related income will be separately accounted for.

### b. AUDITS

- i. The Board of Directors will request an annual organizational audit.

### c. PERSONNEL FILES

- i. The Executive Director or designee will maintain a personnel file for each employee, containing appropriate documents, such as the signed compensation agreement, approval of changes in compensation, an I-9 immigration form, and withholding forms for taxes, benefits, deferred compensation, and charitable contributions.

### d. Confidentiality

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### e. Whistle Blower Protection

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### f. Employee salaries

- i. All employee salaries will be bench-marked against published salaries for positions with equivalent responsibilities and within equivalent organizations at least once per year of service.
- ii. Salary ranges and schedule for increases, if any, will be established as per the personnel policies of Cook County.

### g. Headcount

- i. The Treasurer and Executive Director shall be responsible for jointly evaluating employee head count and making a recommendation to the Board of Directors regarding the need to adjust the number of positions, employment status, or other aspects related to the CCLBA employee headcount.