



Policy

Policy Title: Financial Condition	Number: B3006
Policy Type: Board – Executive Limitations	
Responsible: Vice President of Finance & College Operations	
Related Policies: B2001 , B2002 , B2003 , B3005 , B3007 , B3008 , B3009 AXXXX Management of Financial Reserves	
Linked Operating Standards:	A5000.70 Fund Balance Calculations A5000.65 Bonds and Indebtedness A5000.00 Audit Firm Selection
Related Laws: ILCS 805/3-20	
Related External Standards:	Government Finance Officers Association (GFOA)
HLC Criterion: 2A & 5B	

Policy Statement

The Board has a fiduciary responsibility to ensure public funds are used in a transparent, ethical, and fiscally responsible manner. As such, the Board adopts a budget for College operations which will be administered by the CFO. The CFO shall administer the Board approved budget within parameters approved by the Board and protect the College from financial risk.

With respect to the actual, ongoing financial conditions and activities, the President shall not cause, or allow, the development of fiscal jeopardy, or actual expenditures, that are not aligned with achievement of the Board's Strategic Outcomes.

Further, without limiting the scope of the above statement by the following list, the President shall not:

1. Fail to comply with laws, administrative codes, rules, or agency regulations that apply to college activities.
2. Fail to comply with the College's administrative policies, administrative rules, guidelines, and operating standards, except when in the College's best interest. Any deviation will be communicated to the Board at the next regularly scheduled meeting.
3. Materially deviate from the approved budget by:
 - a. Expending more funds than have been budgeted in aggregate for any fund without prior Board approval, except in emergency situations.
 - b. Failing to notify the Board of an emergency purchase in excess of legal limits within a reasonable timeframe and seek Board approval. State Law requires $\frac{3}{4}$ of the members of the Board (i.e. 6 elected trustees) to approve an emergency purchase.
4. Make any purchase without prudent protection against conflict of interest.

5. Fail to implement a system that subjects contracts for goods and services to a periodic cycle of review for quality and cost, including an assessment of the market.
6. Accept gifts or grants that require the College to commit resources (both human and financial) unless the gift or grant advances the achievement of the College's mission and aligns with the College's strategic priorities. An impact analysis on future resources will be completed prior to acceptance of the gift or grant.
7. Fail to assist the Board with conducting an annual independent audit of the College that is consistent with Illinois law.
8. Fail to employ an internal control structure and develop operating standards to ensure accuracy and transparency for financial reporting. [Board Finance Committee Review]
9. Fail to ensure tax payments or other government-ordered payments are submitted in a timely manner.
10. Fail to manage the College's comprehensive debt program to preserve the District's credit strength and financial flexibility by establishing and monitoring prudent debt management goals.
11. Fail to submit a quarterly finance and investment monitoring report that addresses factors related to the financial condition of the College.

Change Log		Governance Unit: Board of Trustees
Date	Description of Change	
05-03-21	Initial Adoption	
03-07-22	Review - Grammatical Edits	
06-15-23	Minor Grammatical Edits; Added Monitoring Expectations	
08-15-24	Board Reviewed, Minor Grammatical Edits	