**Section 3030.260 Finances and Records**

a) The fiscal year for the library system shall begin July 1 and end on June 30.

b) The board of directors of the library system shall:

1) Maintain all financial records at the library system administrative headquarters.

2) Review monthly financial reports.

3) Conduct an annual audit of the records of the library system for the preceding fiscal year by an independent certified public accountant and make copies of the audit available to the State Librarian on or before September 30 following the end of the fiscal year. Audits shall be conducted in accordance with "Government Auditing Standards, 2011 Revisions", if applicable, published by the Comptroller General of the United States, Government Accountability, 441 G Street NW, Washington DC 20548. The material incorporated by reference includes no later amendments or editions.

4) Account for all funds of the library system by expenditure, encumbrance or reserves as of June 30 of each year.

5) Adopt, prior to July 1 of each year, an annual budget for the ensuing fiscal year in a form prescribed by the Illinois State Library. The annual budget shall be submitted to the State Librarian as part of the annual application cited in Section 3030.265.

6) Maintain an inventory of all equipment purchased.

7) Organize all accounts for the library system on the basis of funds (governmental funds, proprietary funds and fiduciary funds). The adopted budget and revenue-expenditure reports of the library system shall be created on this same basis of account/fund structure.

8) Approve and submit financial reports to the State Librarian twice a year. A six-month cumulative revenue-expenditure report is due to the Illinois State Library on February 15 of each year for the period of July 1 through December 31. The annual audit of the library system shall be filed with the State Librarian on or before September 30 following the end of the fiscal year.