**Section 401.230 Finances**

a) The agency shall maintain a degree of financial solvency that insures adequate care of the children for whom it has assumed responsibility. An agency is considered insolvent if its financial condition is such that the sum of its debts is greater than all of its property, at a fair valuation, exclusive of property transferred, concealed or removed with intent to hinder, delay or defraud its creditors. (This definition of "insolvency" is based on the definition contained in the United States Bankruptcy Code of 1978, 11 USC 101(26).)

b) The agency shall designate a chief fiscal officer who is responsible for the management of financial operations and the development of an annual operating budget. The board shall review and vote whether to accept, modify, or reject the proposed annual operating budget prior to the beginning of the agency's fiscal year. A copy of the approved annual operating budget shall be appended to the minutes of the meeting during which the budget was approved.

c) At least once per quarter, a report shall be submitted to the Board of Directors comparing budgeted revenues and expenses with actual revenues and expenses to the board of directors for their review and acceptance, request for modification, or rejection as insufficient.

d) The agency shall maintain fiscal records that shall include:

1) current and projected operating budget;

2) quarterly analysis of projected versus actual revenues and expenses;

3) records of a corrective plan to reduce the agency's deficit, if any, and progress toward complying with that plan; and

4) financial records annually audited and certified by public accountants not otherwise affiliated with the agency.

e) The above records shall be maintained and kept in the State of Illinois where they shall be readily available for review by authorized representatives of the Department. If the agency contracts with an outside accounting service, the agency must include in its contract the required availability of fiscal records to the Department.

f) A certified copy of the agency's annual audit as performed by an independent auditor shall be submitted to authorized Department staff upon request.

g) The agency shall submit the management representations regarding agency financial condition and operations, as required by Appendix C of this Part, to the Department within 180 days after the end of the agency's fiscal year.

(Source: Amended at 24 Ill. Reg. 9340, effective July 7, 2000)