



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3471

Introduced 2/24/2011, by Rep. Daniel Biss

SYNOPSIS AS INTRODUCED:

105 ILCS 5/2-3.27	from Ch. 122, par. 2-3.27
105 ILCS 5/2-3.28	from Ch. 122, par. 2-3.28
105 ILCS 5/10-17	from Ch. 122, par. 10-17

Amends the School Code. Requires the State Board of Education to develop and maintain a uniform accounting and reporting system for the receipts and expenditures of school districts. Provides that the accounting records maintained by each district must be coordinated with the uniform accounting system. Requires each district to record the receipts and expenditures of the district in accordance with a uniform classification of accounts or chart of accounts and reports as prescribed by the State Board. Requires each district to submit such reports and statements as may be required by the State Board. Requires the State Board to design, revise, and direct the use of accounting records and fiscal procedures and prescribe uniform classifications for receipts and expenditures for all districts. Sets forth requirements for the accounting system. Provides that the State Board shall prescribe the necessary forms to be used by districts in connection with the uniform accounting system.

LRB097 10876 RPM 51395 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The School Code is amended by changing Sections
5 2-3.27, 2-3.28, and 10-17 as follows:

6 (105 ILCS 5/2-3.27) (from Ch. 122, par. 2-3.27)

7 Sec. 2-3.27. Budgets and accounting practices-Forms and
8 procedures.

9 (a) Subject to subsection (b) of this Section, to ~~to~~
10 formulate and approve forms, procedure and regulations for
11 school district accounts and budgets required by this Act
12 reflecting the gross amount of income and expenses, receipts
13 and disbursements and extending a net surplus or deficit on
14 operating items, to advise and assist the officers of any
15 district in respect to budgets and accounting practices and in
16 the formulation and use of such books, records and accounts or
17 other forms as may be required to comply with the provisions of
18 this Act; to publish and keep current pamphlets or manuals in
19 looseleaf form relating to budgetary and accounting procedure
20 or similar topics; to make all rules and regulations as may be
21 necessary to carry into effect the provisions of this Act
22 relating to budgetary procedure and accounting, such rules and
23 regulations to include but not to be limited to the

1 establishment of a decimal classification of accounts; to
2 confer with various district, county and State officials or
3 take such other action as may be reasonably required to carry
4 out the provisions of this Act relating to budgets and
5 accounting.

6 (b) The State Board of Education shall develop and maintain
7 a uniform accounting and reporting system for the receipts and
8 expenditures of school districts. The accounting records
9 maintained by each school district must be coordinated with the
10 uniform accounting system. Each school district shall record
11 the receipts and expenditures of the district in accordance
12 with a uniform classification of accounts or chart of accounts
13 and reports as prescribed by the State Board. Each school
14 district shall submit such reports and statements as may be
15 required by the State Board. The State Board shall design,
16 revise, and direct the use of accounting records and fiscal
17 procedures and prescribe uniform classifications for receipts
18 and expenditures for all school districts. The accounting
19 system must be in accordance with generally accepted accounting
20 principles and must include both budgetary and proprietary
21 (real) accounts. The State Board shall prescribe the necessary
22 forms to be used by school districts in connection with the
23 uniform accounting system.

24 The accounting system developed by the State Board must be
25 developed in such manner as to allow school districts to record
26 and report any information required by State or federal law.

1 The accounting system must be developed in such a manner as to
2 show expenditures for each attendance center in a school
3 district.

4 The accounting system shall provide records showing at all
5 times by funds, accounts, and other pertinent classifications
6 the amounts appropriated, estimated revenues, actual revenues
7 or receipts, the amounts available for expenditure, total
8 expenditures, unliquidated obligations, the actual balances on
9 hand, and the unencumbered balances of allotments or
10 appropriations for each school district.

11 The accounting system shall allow a person to search and
12 manipulate the data and allow for the comparison of data by
13 school district and by attendance centers within a school
14 district. The accounting system shall be available to the
15 public on the State Board of Education's official website.

16 (Source: Laws 1961, p. 31.)

17 (105 ILCS 5/2-3.28) (from Ch. 122, par. 2-3.28)

18 Sec. 2-3.28. Rules and regulations of budget and accounting
19 systems. Subject to subsection (b) of Section 2-3.27 of this
20 Code, to ~~To~~ prescribe rules and regulations defining what shall
21 constitute a budget and accounting system required under this
22 Act. The rules and regulations shall prescribe the minimum
23 extent of verification, the type of audit, the extent of the
24 audit report and shall require compliance with statutory
25 requirements and standards and such requirements as the State

1 Board of Education deems necessary for an adequate budget and
2 accounting system.

3 (Source: P.A. 81-1508.)

4 (105 ILCS 5/10-17) (from Ch. 122, par. 10-17)

5 Sec. 10-17. Statement of affairs.

6 (a) In Class I or Class II county school units the school
7 board may use either a cash basis or accrual system of
8 accounting; however, any board so electing to use the accrual
9 system may not change to a cash basis without the permission of
10 the State Board of Education.

11 Subject to subsection (b) of Section 2-3.27 of this Code,
12 school boards ~~School Boards~~ using either a cash basis or
13 accrual system of accounting shall maintain records showing the
14 assets, liabilities and fund balances in such minimum forms as
15 may be prescribed by the State Board of Education. Such boards
16 shall make available to the public a statement of the affairs
17 of the district prior to December 1 annually by submitting the
18 statement of affairs in such form as may be prescribed by the
19 State Board of Education for posting on the State Board of
20 Education's Internet website, by having copies of the statement
21 of affairs available in the main administrative office of the
22 district, and by publishing in a newspaper of general
23 circulation published in the school district an annual
24 statement of affairs summary containing at a minimum all of the
25 following information:

1 (1) A summary statement of operations for all funds of
2 the district, as excerpted from the statement of affairs
3 filed with the State Board of Education. The summary
4 statement must include a listing of all moneys received by
5 the district, indicating the total amounts, in the
6 aggregate, each fund of the district received, with a
7 general statement concerning the source of receipts.

8 (2) Except as provided in subdivision (3) of this
9 subsection (a), a listing of all moneys paid out by the
10 district where the total amount paid during the fiscal year
11 exceeds \$2,500 in the aggregate per person, giving the name
12 of each person to whom moneys were paid and the total paid
13 to each person.

14 (3) A listing of all personnel, by name, with an annual
15 fiscal year gross payment in the categories set forth in
16 subdivisions 1 and 2 of subsection (c) of this Section.

17 In this Section, "newspaper of general circulation" means a
18 newspaper of general circulation published in the school
19 district, or, if no newspaper is published in the school
20 district, a newspaper published in the county where the school
21 district is located or, if no newspaper is published in the
22 county, a newspaper published in the educational service region
23 where the regional superintendent of schools has supervision
24 and control of the school district. The submission to the State
25 Board of Education shall include an assurance that the
26 statement of affairs has been made available in the main

1 administrative office of the school district and that the
2 required notice has been published in accordance with this
3 Section.

4 After December 15 annually, upon 10 days prior written
5 notice to the school district, the State Board of Education may
6 discontinue the processing of payments to the State
7 Comptroller's office on behalf of any school district that is
8 not in compliance with the requirements imposed by this
9 Section. The State Board of Education shall resume the
10 processing of payments to the State Comptroller's Office on
11 behalf of the school district once the district is in
12 compliance with the requirements imposed by this Section.

13 The State Board of Education must post, on or before
14 January 15, all statements of affairs timely received from
15 school districts.

16 (b) When any school district is the administrative district
17 for several school districts operating under a joint agreement
18 as authorized by this Code, no receipts or disbursements
19 accruing, received or paid out by that school district as such
20 an administrative district shall be included in the statement
21 of affairs of the district required by this Section. However,
22 that district shall have prepared and made available to the
23 public, in accordance with subsection (a) of this Section, in
24 the same manner and subject to the same requirements as are
25 provided in this Section for the statement of affairs of that
26 district, a statement showing the cash receipts and

1 disbursements by funds (or the revenue, expenses and financial
2 position, if the accrual system of accounting is used) of the
3 district as such administrative district, in the form
4 prescribed by the State Board of Education. The costs of
5 publishing the notice and summary of this separate statement
6 prepared by such an administrative district shall be
7 apportioned among and paid by the participating districts in
8 the same manner as other costs and expenses accruing to those
9 districts jointly.

10 School districts on a cash basis shall have prepared and
11 made available to the public, in accordance with subsection (a)
12 of this Section, a statement showing the cash receipts and
13 disbursements by funds in the form prescribed by the State
14 Board of Education.

15 School districts using the accrual system of accounting
16 shall have prepared and made available to the public, in
17 accordance with subsection (a) of this Section, a statement of
18 revenue and expenses and a statement of financial position in
19 the form prescribed by the State Board of Education.

20 In Class II county school units such statement shall be
21 prepared and made available to the public, in accordance with
22 subsection (a) of this Section, by the township treasurer of
23 the unit within which such districts are located, except with
24 respect to the school board of any school district that no
25 longer is subject to the jurisdiction and authority of a
26 township treasurer or trustees of schools of a township because

1 the district has withdrawn from the jurisdiction and authority
2 of the township treasurer and trustees of schools of the
3 township or because those offices have been abolished as
4 provided in subsection (b) or (c) of Section 5-1, and as to
5 each such school district the statement required by this
6 Section shall be prepared and made available to the public, in
7 accordance with subsection (a) of this Section, by the school
8 board of such district in the same manner as required for
9 school boards of school districts situated in Class I county
10 school units.

11 (c) The statement of affairs required pursuant to this
12 Section shall contain such information as may be required by
13 the State Board of Education, including:

14 1. Annual fiscal year gross payment for certificated
15 personnel to be shown by name, listing each employee in one
16 of the following categories:

- 17 (a) Under \$25,000
18 (b) \$25,000 to \$39,999
19 (c) \$40,000 to \$59,999
20 (d) \$60,000 to \$89,999
21 (e) \$90,000 and over

22 2. Annual fiscal year payment for non-certificated
23 personnel to be shown by name, listing each employee in one
24 of the following categories:

- 25 (a) Under \$25,000
26 (b) \$25,000 to \$39,999

1 (c) \$40,000 to \$59,999

2 (d) \$60,000 and over

3 3. In addition to wages and salaries all other moneys
4 in the aggregate paid to recipients of \$1,000 or more,
5 giving the name of the person, firm or corporation and the
6 total amount received by each.

7 4. Approximate size of school district in square miles.

8 5. Number of school attendance centers.

9 6. Numbers of employees as follows:

10 (a) Full-time certificated employees;

11 (b) Part-time certificated employees;

12 (c) Full-time non-certificated employees;

13 (d) Part-time non-certificated employees.

14 7. Numbers of pupils as follows:

15 (a) Enrolled by grades;

16 (b) Total enrolled;

17 (c) Average daily attendance.

18 8. Assessed valuation as follows:

19 (a) Total of the district;

20 (b) Per pupil in average daily attendance.

21 9. Tax rate for each district fund.

22 10. District financial obligation at the close of the
23 fiscal year as follows:

24 (a) Teachers' orders outstanding;

25 (b) Anticipation warrants outstanding for each
26 fund.

1 11. Total bonded debt at the close of the fiscal year.

2 12. Percent of bonding power obligated currently.

3 13. Value of capital assets of the district including:

4 (a) Land;

5 (b) Buildings;

6 (c) Equipment.

7 14. Total amount of investments each fund.

8 15. Change in net cash position from the previous
9 report period for each district fund.

10 In addition to the above report, a report of expenditures
11 in the aggregate paid on behalf of recipients of \$500 or more,
12 giving the name of the person, firm or corporation and the
13 total amount received by each shall be available in the school
14 district office for public inspection. This listing shall
15 include all wages, salaries and expenditures over \$500 expended
16 from any revolving fund maintained by the district. Any
17 resident of the school district may receive a copy of this
18 report, upon request, by paying a reasonable charge to defray
19 the costs of preparing such copy.

20 This Section does not apply to cities having a population
21 exceeding 500,000.

22 (Source: P.A. 94-875, eff. 7-1-06.)