PALOS TOWNSHIP
COMMITTEE ON FINANCE AND ADMINISTRATION

10802 S. ROBERTS ROAD | PALOS HILLS, IL 60465

January 09, 2016 - 11:00 AM

1. Call To Order

2. Roll Call

3. Public Comment

4. Items for Discussion / Approval

      a.   Discussion of Budget and Budget Priorities for the Fiscal Year 2016 - 2017

5. Adjournment

Palos Township
Committee on Finance and Administration
Brent Woods, Chair

KEY RECOMMENDATIONS FOR BUDGET CHANGES

1. **Expanded accounting codes;**

2. **Compartmentalization of budgetary purposes;**

3. **Narrowing of purposes/department;**

4. **True budgetary planning;**

5. **Establishment of working budget vs. simply adopting an appropriation;**

6. **Adoption of budget/financial policies;**

7. **Separation of employer paid payroll taxes and fringe benefits from the Administration department into appropriate departments;**

Proposed Budget Layout:

Code	Department
10	Administration
20	Assessor
30	Health Services
40	Senior Services
50	Youth Services
60	Community Support Services
80	General Assistance

Purpose Divisions Within Each Department

0	Personnel Services
1	Operational Expenses
2	Contractual and Professional Services
3	Supplies and Materials
4	Capital Equipment and Buildings

Key Budgetary Policies Already in place by ordinance:

Purchasing index:

2-9-4: TRANSFER OF FUNDS
 B. provides that no funds may be disbursed as a loan or transfer from the Town Fund without first receiving a vote of the board.

2-9-6: PURCHASING
 B. Designates the Supervisor as the purchasing agent.

 C. Allows township staff to make purchases (under the Direction of the Purchasing Agent/Supervisor) in furtherance of the proper operations of the Township.

 D. Allows the Supervisor to expend sums of money (from the Town Fund) of up to $1,000 on a single purchase before obtaining prior authorization of the Board. Allows the Assessor to expend up to $150 prior to receiving authorization of the Board.

 E. Describes the process for competitive bidding and requests for proposals. Prohibits the splitting of purchases to avoid expenditure limitations, bidding or RFP processes.

 F. Permits the expenditure of funds, prior to audit by the board, for utility bills, payroll and payroll expenses and employee and official re-imbursements of less than $1,000.

<h1 style="text-align:center">REVENUE ACCOUNT CODES</h1>

ACCOUNT NUMBER	ACCOUNT DESCRIPTION
00-1000	PROPERTY TAXES
00-2000	REPLACEMENT TAXES
00-3000	HEALTH SERVICE FEES
00-4000	INTEREST ON INVESTMENTS
00-5000	DONATIONS
00-6000	INTERFUND LOANS (RECEIVABLE)
00-7000	SHIP GRANT
00-8000	COAST TO COAST PRESCRIPTION DISCOUNT
00-9000	OTHER SOURCES

<h1 style="text-align:center">EXPENDITURES ACCOUNT CODES</h1>

TOWN FUND - ADMINISTRATION

PERSONNEL SERVICES

NUMBER	ACCOUNT DESCRIPTION
Salaries and Wages	
10-0100	SUPERVISOR
10-0200	CLERK
10-0300	ASSESSOR
10-0400	HIGHWAY COMMISSIONER
10-0500	TOWNSHIP TRUSTEES
10-0600	ADMINISTRATIVE ASSISTANT
10-0700	OFFICE ASSISTANT
Taxes (Paid by the Township)	
10-1000	MEDICARE EXPENSE
10-1100	FICA EXPENSE
10-1200	IMRF EXPENSE
10-1300	UNEMPLOYMENT TAXES
Employee Benefits	
10-1400	EMPLOYEE HEALTH INSURANCE
10-1500	EMPLOYEE LIFE INSURANCE
Officials and Employee Expenses	
10-1600	PROFESSIONAL DEVELOPMENT
10-1700	TRANSPORTATION AND TRAVEL
10-1800	CONFERENCES AND MEETINGS

OPERATIONAL EXPENSES

NUMBER	ACCOUNT DESCRIPTION
11-1000	PUBLISHING AND ADVERTISING
11-1100	POSTAGE AND DELIVERY
11-1200	BOOKS AND PUBLICATIONS
11-1300	TELEPHONE SERVICES
11-1400	CONTINGENCIES
11-1500	BANKING SERVICES
11-1600	INSURANCE - GENERAL
11-1700	INSURANCE - WORKERS COMPENSATION
11-1800	INSURANCE - PROPERTY AND LIABILITY
11-1900	LICENSES AND PERMITS
11-2000	UTILITIES
11-2100	HANDICAPPED PLACARDS

CONTRACTUAL AND PROFESSIONAL SERVICES

NUMBER	ACCOUNT DESCRIPTION
12-1000	PRINTING
12-1100	TECHNOLOGY AND AUTOMATION SERVICES
12-1200	MEMBERSHIPS AND DUES
12-1300	LEGAL SERVICES
12-1400	BOOKKEEPING
12-1500	AUDIT
12-1600	PAYROLL PROCESSING
12-1700	DOCUMENT DISPOSAL
12-1800	BONDS

SUPPLIES AND MATERIALS

NUMBER	ACCOUNT DESCRIPTION
13-1000	OFFICE SUPPLIES
13-1100	TECHNOLOGY EQUIPMENT
13-1200	OFFICE EQUIPMENT
13-1300	FURNITURE
13-1400	OTHER SUPPLIES AND MATERIALS

EQUIPMENT AND BUILDINGS

NUMBER	ACCOUNT DESCRIPTION
14-1000	EQUIPMENT MAINTENANCE
14-1100	BUILDING MAINTENANCE
14-1200	LANDSCAPING / GROUNDS MAINTENANCE
14-1300	CUSTODIAL / CLEANING
14-1400	CAPITAL IMPROVEMENTS
14-1500	BUILDING MAINTENANCE SUPPLIES
14-1600	ALARM SYSTEM
14-1700	GENERAL WASTE DISPOSAL

TOWN FUND - ASSESSOR

PERSONNEL SERVICES

NUMBER	ACCOUNT DESCRIPTION
Salaries and Wages	
20-0100	DEPUTY ASSESSOR
Taxes (Paid by Township)	
20-1000	MEDICARE COSTS
20-1100	FICA EXPENSES
20-1200	IMRF
Employee Benefits	
20-1400	HEALTH INSURANCE PREMIUMS
20-1500	LIFE INSURANCE PREMIUMS
Officials and Employee Expenses	
20-1600	PROFESSIONAL DEVELOPMENT
20-1700	TRANSPORTATION AND TRAVEL
20-1800	CONFERENCES AND MEETINGS

TOTAL PERSONNEL SERVICES

OPERATIONAL EXPENSES

NUMBER	ACCOUNT DESCRIPTION
21-1000	PUBLISHING AND ADVERTISING
21-1100	POSTAGE AND DELIVERY
21-1200	BOOKS AND PUBLICATIONS
21-1400	CONTINGENCIES

CONTRACTUAL AND PROFESSIONAL SERVICES

NUMBER	ACCOUNT DESCRIPTION
22-1000	PRINTING
22-1100	TECHNOLOGY AND AUTOMATION
22-1200	MEMBERSHIPS AND DUES

SUPPLIES AND MATERIALS

NUMBER	ACCOUNT DESCRIPTION
23-1000	OFFICE SUPPLIES
23-1100	TECHNOLOGY EQUIPMENT
23-1200	OFFICE EQUIPMENT
23-1300	FURNITURE
23-1400	OTHER SUPPLIES AND MATERIALS

PERSONNEL SERVICES

NUMBER	ACCOUNT DESCRIPTION
Salaries and Wages	
30-0100	DIRECTOR OF HEALTH SERVICES
30-0200	NURSES
30-0300	PYSICIANS
30-0400	PODIATRIST
30-0500	HEALTH SERVICE ASSISTANT
Taxes (Paid by Township)	
30-1000	MEDICARE EXPENSE
30-1100	FICA EXPENSE
30-1200	IMRF EXPENSE
Employee Benefits	
30-1400	HEALTH INSURANCE PREMIUMS
30-1500	LIFE INSURANCE PREMIUMS
Employee Expenses	
30-1600	PROFESSIONAL DEVELOPMENT
30-1700	TRANSPORTATION AND TRAVEL
30-1800	CONFERENCES AND MEETINGS

OPERATIONAL EXPENSES

NUMBER	ACCOUNT DESCRIPTION
General Operational Expenses	
31-1000	PUBLISHING AND ADVERTISING
31-1100	POSTAGE AND DELIVERY
31-1200	BOOKS AND PUBLICATIONS
31-1400	CONTINGENT EXPENSES
31-1410	SPECIAL EVENT EXPENSES
31-1600	INSURANCE - SPECIAL
31-1900	LICENSING AND APPLICATION FEES
Health Service Operational Expenses	
31-2000	MEDICAL SUPPLIES
31-2100	MEDICATIONS AND VACCINATIONS

CONTRACTUAL AND PROFESSIONAL SERVICES

NUMBER	ACCOUNT DESCRIPTION
32-1000	PRINTING
32-1100	TECHNOLOGY AND AUTOMATION
32-1200	MEMBERSHIPS AND DUES
32-1700	DISPOSAL OF MEDICAL WASTE

SUPPLIES AND MATERIALS

NUMBER	ACCOUNT DESCRIPTION
33-1000	OFFICE SUPPLIES
33-1100	TECHNOLOGY EQUIPMENT
33-1200	OFFICE EQUIPMENT
33-1300	FURNITURE
33-1400	OTHER SUPPLIES AND MATERIALS
33-1410	SANITATION AND CLEANING SUPPLIES

TOWN FUND - SENIOR CITIZEN SERVICES

NUMBER	ACCOUNT DESCRIPTION
40-1000	SENIOR ADVISORY BOARD EXPENSES
40-1100	SPECIAL EVENTS EXPENSES
40-1200	SERVICE CONTRACT AGREEMENTS
40-1300	P.A.T.S.E. TRANSPORTATION AGREEMENT
40-1400	CONTINGENCIES
40-1500	INCOME TAX SERVICE EXPENSES

TOWN FUND - YOUTH SERVICES

NUMBER	ACCOUNT DESCRIPTION
50-0100	SALARY OF COORDINATOR
50-1000	YOUTH ADVISORY BOARD EXPENSES
50-1100	SPECIAL EVENTS EXPENSES
50-1200	SERVICE CONTRACT AGREEMENTS
50-1400	CONTINGENCIES

TOWN FUND - COMMUNITY SUPPORT SERVICES

NUMBER	ACCOUNT DESCRIPTION
60-1000	FOOD PANTRY EXPENSES
60-1010	HOLIDAY MEAL DISTRIBUTION PROGRAM
60-1100	SPECIAL EVENTS
60-1110	SCHOOL SUPPLY PROGRAM
60-1400	CONTINGENCIES

TOWNSHIP OF PALOS
BUDGET WORKSHOP

ACCRUAL BASIS
A system of government accounting where revenues and expenditures are recognized before they are received or spent.

APPROPRIATION
The Amount of money the government body will allow to be spent on any particular purpose / line item if the receives revenues to cover the cost of said item.

BUDGET
A financial document used by governments for accounting and management of all Township moneys. It I used for decision making by the public body and for communicating to the public how their money is being spent. It differs from an appropriation in that a budget is the amount of money the board will allow to be spent from existing reserves and revenues anticipated to be received.

CAPITAL EQUIPMENT
Items which are not permanently attached to buildings or grounds and have an individual cost of more than $5,000 (exclusive of sales and/or use tax, freight, and installation) and have a useful life of one year or more.

CAPITAL IMPROVEMENT
The addition of a permanent structural improvement or the restoration of some aspect of a property that will either enhance the property's overall value or increases its useful life.

CAPITAL OUTLAY
Funds expended to acquire land, plan and construct new buildings, expand or modify existing buildings, and/or purchase equipment related to such construction. Synonymous with the term "Capital Expenditure".

CASH BASIS
The basis of accounting in which revenues and expenditures are recognized when cash is received or disbursed.

EXPENDITURES
The term given to the "spending" of government held funds. In general, governmental agencies do not have "expenses", they have "expenditures".

FUND(S)

1. The term given to a major division of the budget which generally contain several purposes/line items. Examples of government funds are the Town Fund, Road and Bridge Fund, Capital Projects Fund, Public Health District Fund, Special Service Area Fund and Park Maintenance Fund.

2. The term used to describe moneys belonging to the Township.

INCREMENTAL BUDGETING

An incremental budget is a budget prepared using a previous period's budget or actual performance as a basis with incremental amounts added for the new budget period.

LINE ITEM

A single, specific purpose listed in a budget document for the expenditure of funds.

RESERVES

The amount of money the Township has on hand after all revenues have been received and all expenditures have been made. Synonymous with the term "Fund Balance".

REVENUES

The term given to money the Township expects to receive from taxation, fees, bonds, etc. In general, governmental agencies do not have "income", they have "Revenues".

ZERO BASE BUDGETING

A method of budgeting in which all expenses must be justified for each new period. Zero-based budgeting starts from a "zero base" and every function within an organization is analyzed for its needs and costs. Budgets are then built around what is needed for the upcoming period, regardless of whether the budget is higher or lower than the previous one.

Palos Township
Budget Workshop

- **Capital Improvements**

- **Technology**

- **Community Needs**

- **Staffing Decisions**