Financial Policies Manual

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For: Board of Commissioners

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WHEATON PARK DISTRICT
Financial Policies
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1 Access Control Policy

Wheaton Park District shall require that systems are protected from unauthorized access by establishing requirements for the authorization and management of user accounts, providing user authentication and management of user accounts and implementing access controls on Park District information resources.

Principle of Least Privilege - The Park District IT management has designed user access controls to enforce limited access to authorized personnel in accordance with the principle of least privilege. The Wheaton Park District computing network has been segmented to restrict access to users in accordance with the "Principle of Least Privilege." Users only receive access to system components necessary to fulfill the requirements of their roles.

Access Requests - The department Director has responsibility for requesting access to information systems. It is also his/her responsibility to request only enough access to the least amount of data or specific physical areas required for that person to carry out his/her role (principal of least privilege). Exceptions to standard role-based access must be authorized by the Finance Director, or designee, prior to request fulfilment.

The Park District's IT managed service provider plans the configuration of hardware, software and procedural access control mechanisms. The team configures access controls while building information systems, and maintains those controls throughout their useful life.

Access Controls Audit – The Park District's IT managed service provider shall conduct a review of system access privileges by role and group membership on no less than an annual basis. The review will be completed in consultation with Park District leadership to determine whether current role-based privileges continue to be appropriate. After review, IT managed service provider shall execute group access changes in accordance with assessment findings and retain the audit results in a help desk ticket for Policy compliance.

Session Lock and Termination – Wheaton Park District requires users to lock their workstations when stepping away from their desks for any reason. Workstations shall be configured to automatically lock after 5 minutes of inactivity. Following a session lock, users must enter their passwords to restore working sessions. Any exceptions to this policy must be submitted in writing with a business justification, to and approved by the Finance Director or by submitting a helpdesk ticket to the Park District's IT managed service provider.

Remote Access – Select Park District employees will be granted remote system access privileges to enable offsite work. Wheaton Park District's IT managed service provider shall implement and maintain a secure Virtual Private Network (VPN) service that will facilitate remote connectivity into the environment. Remote access rights must be requested by the user's manager, and must be supported by business justification. The Executive Director shall maintain sole authority to approve or reject remote access requests.

1.1 Identification & Authentication

All users - Every authorized user will be provisioned with a unique User ID to access the systems environment. In some cases, specific applications may require additional specific User IDs to access them, which differ from their standard network User IDs. Each User ID (Identifier) is tied to a password (Authenticator), known only to the user. The User ID and password together are commonly referred as "user credentials."

- Authorized users are responsible for all activities executed on systems when their credentials have been used as the means of system access. Users must not share their user credentials with other Park District employees, agents or non-affiliated persons.
- WPD user credentials should not be used as personal identifiers on non-Park District systems (e.g., Internet, Google, Facebook, etc.).

Privileged Accounts – Employees requiring administrator rights on a workstation or server shall receive approval from the Executive Director with consideration given to the duration for which the administrator rights are needed. Upon approval, the employee shall request the administrator rights via the IT managed service provider help desk with approval attached. IT managed service provider will provision the administrator rights for the required duration.

1.1.1 Password Requirements

Strong passwords must be applied to all WPD network and information systems and should meet all the following criteria.

- All passwords must contain at least fifteen (15) characters. If the system cannot accommodate fifteen characters, the maximum number of characters the system allows shall be used.
- All passwords shall contain at least four of the following characters:
    - Upper-case alphabetic English letter (A-Z);
    - Lower-case alphabetic English letter (a-z);
    - Numeric character (0 – 9);
    - Special/non-alphabetic character (!, @, #, %);
- Password complexity requirements are enforced when passwords are changed or created.
- User generated passwords should not be reused.
- Passwords must be changed every 90 days.
- Ten (10) unique new passwords must be associated with a user account before an old password can be reused, if the system allows it.
- Five (5) consecutive, unsuccessful attempts to access a WPD network will disable the user's ability to successfully log-on. The user will need to contact IT support to request a password reset.

Upon initial configuration and installation of computing equipment within the Park District environment, IT Administrators must change default passwords to a unique entry that meets all strong password requirements.

Password Protection:

- Passwords should not be written or otherwise recorded where they are accessible or recognizable by anyone else, such as taped to computer screens, stored under keyboards, or visible in a work area.
- Passwords should not be shared or used by others. This includes a coworker, manager, supervisor, friend, vendor, partner, information technology staff, administrative assistant, or others.
- A password must be changed immediately when it has been compromised or when there is suspicion that it has been compromised. If a WPD employee suspects their password has been compromised, they must contact the IT Help Desk to request a password reset.

2 Wheaton Park District Acceptable Use of Technology Policy

2.1 Scope and Applicability

All employees, contractors, consultants, temporary workers and other workers at WPD, including all personnel affiliated with third parties, shall comply with this policy's requirements. This policy applies to all personal equipment, software and systems brought into WPD by personnel affiliated with third parties.

2.2 Purpose

Computer and information technology resources are essential tools in accomplishing the mission of Wheaton Park District (WPD). Effective security is a team effort involving the participation and support of every WPD employee and affiliate who deals with information and/or information systems. It is the responsibility of every computer user to know these guidelines and to conduct their activities accordingly.

2.3 Policy

2.3.1 Acceptable Use of Technology

Official Use Only - Desks, headsets, telephone equipment, and computers are the property of WPD and must be maintained according to company policy. WPD systems and equipment (voice mail, e-mail, Internet, etc.) may be used for work related purposes only during work times. WPD management prohibits the use of company-owned equipment or systems to download, access, or store any non-work-related data (personal emails, audio or video, etc.).

System Maintenance - The Park District's IT managed service provider will maintain computing equipment via patches and upgrades to operating systems, applications, anti-virus, and other enabling applications. Users may not alter computer configuration settings or prevent the patches from executing. These patches and upgrades frequently contain functional enhancements, but are also designed to maintain the security controls that protect WPD's information assets. If a WPD employee

requires a patch to be installed for business reasons or notices that a patch has yet to be applied, that employee shall notify IT managed service provider immediately for handling. The employee shall not patch a system themselves without explicit guidance from IT managed service provider.

Software Downloads - WPD employees may not download or install personal software to company computer systems without the consent of the immediate supervisor and the Park District's IT managed service provider .

Equipment Location – Technology resources, with the exception of laptops and mobile devices, are to be used only at the employee's assigned work location(s) unless prior authorization has been granted by the employee's manager.

E-Mail, Messaging & Phone Use - WPD uses various forms of electronic communications including, but not limited to: email, telephones, voicemails, fax machines and the Internet. All electronic communications, including all software and hardware, remain the sole property of WPD and are to be used for company business during business hours. Employees may be permitted limited personal use of phones, provided the use doesn't interfere with operations.

Bring Your Own Device (BYOD) - WPD does not maintain a BYOD policy, but may authorize access of corporate email through personal devices. Other system access or conducting of WPD business on a personal device is prohibited without the approval of the immediate supervisor and IT managed service provider.

Email Retention - WPD must retain emails in accordance with WPD's Records Retention Policy as maintained by the Finance Department. As a government agency, WPD must archive emails for a period set by law, and may have to provide these emails to individuals and groups outside of the WPD organization in response to a Freedom of Information Act (FOIA) request. Employees may not delete or modify electronic communication records.

Content Restrictions - Electronic communication/media may not be used in any manner that may be considered by WPD as discriminatory, harassing or obscene, or for any other purpose which is illegal, or against company policy. Employees may not use electronic communications to engage in defamation, copyright or trademark infringement or misappropriation of trade secrets. Employees may not use Park District equipment to engage in business related to personal financial gain (i.e., day trading, gambling), political activity, participation in chat rooms, blogs, or bulletin boards, internet chain mails/forwards, or game playing. Employees may not use email or messaging technologies to send financial account data, including credit card data, or other forms of confidential personally identifiable information such as SSN or passwords as this is insecure. If there is a business need to send this information electronically, IT managed service provider should be consulted for proper security practices.

Use of Social Media - Employees who use social media services, including social networking, blogs and personal information sharing services, must be mindful of the potential impact their words may present to WPD. Employees should use good judgment and common sense when using social media, and should not represent themselves as official representatives of the Park District, or expressing viewpoints of the Park District. The District's social media policy is accessible on the transparency portal found on the District's website. Any inquiries concerning the policy should be addressed to the Executive Director or your Supervisor.

2.3.2 System Monitoring

WPD management reserves the right to listen to, monitor and/or inspect all company property including voice mail messages, computers, email messages, and electronic files to ensure compliance with these policies. Inspection of WPD property may be done without further notice to the employee and in the employee's absence.

2.4 Acceptable Use of Technology Compliance

All employees are required to comply with this policy. Failure to comply may result in sanctions, up to and including termination. Any questions about the policy should be directed to an employee's immediate supervisor.

The District is on a calendar year.

A. Each department director is responsible for preparing a yearly budget for his/her department.

B. The Executive Director reviews each department budget and discusses it with each department director, and makes revisions, as appropriate.

C. The Executive Director, administrative staff and Park Board or committee established thereof review the entire proposed budget, including capital projects, in an annual Budget Workshop.

D. After the Board approves the budget, it becomes a blueprint of fiscal operations for the following year. The budget of the Park District is not to be construed as a legal document; it is a working tool. The Budget and Appropriation Ordinance, however, is a legal document and may not be amended without a two-thirds vote of the Board of Commissioners.

The budget is reviewed continuously throughout the fiscal year; as changes in programs are made, modifications, alterations or improvements are noted, plans are, even at that time, being formulated for the upcoming budget. Formal computation of the annual budget actually begins in June, seven months prior to the beginning of the fiscal year. Compilation of the budget is a total staff project involving the cooperation, planning and foresight of many members of the staff.

The budget is produced in electronic form and posted on the District's website. Detailed budget input is available thru the District's financial software for the use of staff. The current Budget and Appropriations Ordinance is also on file at the Wheaton Public Library for all interested taxpayers.

I. The financial audit of the Park District is conducted by an independent, certified public accounting firm on an annual basis.

II. As part of the annual audit, the accounting firm will review the Park District's internal controls and will make recommendations for improvement.

III. The annual audit report must be filed with the County Clerk's office within six months after the end of the fiscal year and with the Illinois Comptroller 180 days after the fiscal year end.

IV. A copy of the annual audit report is available on the District's website and at the Wheaton Public Library for reference purposes.

v. The district will prepare a request for proposal for audit services every 3 years. The audit terms of the negotiated agreement will specify that the audit agreement may be terminated at the District's convenience. Audit firm rotation will be required after six years of continuous service with one firm.

Purpose

The Budget should be balanced which means that current expenditures/expenses should not exceed current revenues and funding sources. The priorities to be used in balancing the budget are:

- Improve productivity,
- Improve revenues,
- Use available fund balances,
- Lastly, reduce or eliminate programs or services.

The District may require as a bid surety a certified check or bid bond equal to ten percent or greater of the contract amount as a proposal guarantee. Such requirement shall be made on construction projects and in other bidding procedures where is to be determined to be in the best interest of the District. Bid Sureties shall be returned to the bidders within ten days following the acceptance or rejection of bids by the Board of Commissioners. However, the Bid Surety of the successful bidder shall be returned only after the receipt of an acceptable Performance Bond, if required. If a Performance Bond is not required, the Bid Surety will be held by the Finance Department until the project is completed.

BIDDING POLICY

A. Purchase of goods or services estimated to exceed in value the legal limits set by Illinois statutes shall follow these bidding procedures:

1. The Wheaton Park District shall award contracts for supplies, materials and labor in excess of the legal limit to the lowest responsible bidder after proper advertisement and receipt of sealed bids. Exclusions include professional services, computer hardware and software and utility services including telecommunications and interconnect equipment, software and services. Contracts for professional services exempted include those for services where the individuals possess a high degree of professional skill where the ability or fitness of the individual plays an important part. All of these independent contractors are required to have a significant level of training and expertise in their specific area of service, whether it's sports aptitude or ability, coaching experience, licensing, certifications, or other requirements. In other words, the individual abilities and experience of the independent contractor are of the utmost concern in the contracting process.

2. A bidder's responsibility may be based on financial stability, past transactions, experience, adequacy of equipment, ability to perform, time limits, and other necessary considerations.

3. The Park District reserves the right to accept or reject any or all bids or portions thereof, in the best interest of the District and in compliance with 70 ILCS 1205/8-1(c).

4. A legal advisement shall be placed in publications which will give notice of the Park District's request for bids to those organizations best qualified to provide the goods or services.

5. Specifications shall be prepared and made available to all interested parties.

6. Instructions to bidders shall accompany each set of specifications issued, indicating all terms and conditions relative to the bid. Consistent with the

District's Environmental Policy which recommends the purchase and use of environmentally safe and sensitive products, District employees shall make every effort to include specifications for products that are environmentally safe and sensitive. Employees shall also make every effort to include wording that preference will be given to vendors who demonstrate their commitment to minimizing their carbon footprint and engaging in sustainable business practices. If a vendor has earned the right to use certain labels, employees can use that to evaluate that a product/service has been produced or provided in an environmentally safe and sensitive manner. The US Environmental Protection Agency has developed a number of ecolabels that can help purchasers identify green products and services. More information about these labels can be found at the link below where you can click on each of the labels shown in the snip below the link. (You have to go to the URL to click on the various labels, the snip below does not have hyperlinks.) https://www.epa.gov/greenerproducts/institutional-purchasers-greener-products-and-services

7. The nature of construction projects necessitates more clearly defined conditions. Instructions to bidders for construction projects shall include all requirements including business references, bid surety and performance bond, insurance, indemnification, protection of district property, compliance with labor standards and prevailing wage laws, subcontract, change orders, payment procedures and guarantees.

8. Following the issuance of Specifications and Instructions to bidders, bids received prior to the time and date specified will be opened publically and contracts awarded in conformity with Bid Opening Procedures.

B. *Bid Opening Procedures*

1. The location date and time of the bid shall be a part of the legal advertisement for bidders.

2. Bids shall be opened at a public location open to the public.

3. Bids shall be opened and an acknowledgement made of the receipt of each bid.

4. A recommendation shall be made by staff to the Park Board of Commissioners. After the Board approval, staff shall notify the approved bidder and finalize the project deadline.

5. Bids received after the date and/or time indicated shall be returned, unopened, to the bidder with a notation on the bid envelope or packet stating that it was a late bid, noting the date and the hour it was received, and signed by a representative of the Park District.

C. *Rebidding*

In the event that all bids are rejected by the Board of Commissioners, the project may be rebid following Bidding Procedures outlined in section A above. However, specifications shall be sufficiently altered to prevent reliance upon information obtained from the former bidding process which may be used to unfair advantage in the rebidding process.

D. *Notification to Bidders*

If bids are rejected, staff shall notify all bidders and establish a new bid opening date. After a new bid opening date has been established, the procedures outlined above shall be followed.

The purpose of this policy is to establish what records are to be retained by the District, who is responsible for retaining them and documentation of compliance for same.

Compliance Officer Is Responsible for Records. The Treasurer of the District is designated as the keeper of all records of the District with respect to the Obligations, and such officer shall report to the Board at least annually that he/she has all of the required records in his/her possession or is taking appropriate action to obtain or recover such records.

Closing Transcripts. For each issue of Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Obligations, including without limitation (a) the proceedings of the District authorizing the Obligations, (b) any offering document with respect to the offer and sale of the Obligations, (c) any legal opinions with respect to the Obligations delivered by any lawyers, and (d) all written representations of any person delivered in connection with the issuance and initial sale of the Obligations.

Arbitrage Rebate Liability. The Compliance Officer shall review the agreements of the District with respect to the Obligations and shall prepare a report for the Board stating whether or not the District has any rebate liability to the U.S. Treasury, and setting forth any applicable exemptions that the Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Board. See District's Debt Policy for additional information.

Recommended Records. The Compliance Officer shall review each issue of the Obligations and shall determine what requirements the District must meet in order to maintain the tax-exemption of interest paid on the Tax-Exempt Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on any Tax-Advantaged Bonds, and applicable tax credits or other tax benefits arising from any Tax-Advantaged Bonds. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Exempt Obligations is entitled to be excluded from gross income for federal income tax purposes, the District is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on any Tax-Advantaged Bonds, and the entitlement of holders of any Tax-Advantaged Bonds to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the District, such retained records shall be kept for as long as the Obligations relating to such records (and any obligations issued to refund the Obligations) are outstanding, plus three years, and shall at least include:

a) Complete copies of the bond transcripts delivered when any issue of Obligations is initially issued and sold;

b) Copies of account statements showing the disbursements of all bond proceeds for their intended purposes;

c) Copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Obligations has been held;

d) Copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any tax-exempt obligations, including any swaps, swaptions, or other financial derivatives entered into with respect to any tax-exempt obligations in order to establish that such instruments were purchased *at fair market value;*

e) Copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;

f) Any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of tax-exempt obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and

g) Copies of all contracts of the District, including any leases, with respect to the use of any property owned by the District and acquired or financed with the proceeds of tax-exempt obligations, any part of which property is used by a private person at any time when such bonds are or have been outstanding.

h) Retain documentation to support that the Annual Comprehensive Financial Report and any required continuing disclosures were filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA).

IRS Examination. In the event the Internal Revenue Service *("IRS")* commences an examination of any Obligations, the Compliance Officer shall inform the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination.

I. PURPOSE

The purpose of this Budget Amendment Policy is to establish clear standards and authority for amendments to the legally adopted annual budget of the Wheaton Park District ("District"). This policy ensures continued fiscal accountability, transparency, and compliance with applicable Illinois statutes while allowing reasonable administrative flexibility in the day-to-day operation of the District.

II. POLICY STATEMENT

It is the policy of the Wheaton Park District that the annual budget, once adopted by the Board of Park Commissioners ("Board"), represents the financial plan and spending authority for the fiscal year. Amendments to the budget shall be limited, controlled, and documented, and shall require Board approval when material changes to revenues, expenditures, or fund balances occur.

III. AUTHORITY

This policy is adopted pursuant to the authority granted to the Board of Park Commissioners under the Illinois Park District Code and is intended to supplement, not replace, existing budgetary, purchasing, and financial control policies of the District.

IV. ADMINISTRATIVE AMENDMENTS

The Executive Director and designated Finance staff are authorized to approve and initiate administrative budget amendments without prior Board action, provided that all of the following conditions are met:

- The amendment does not increase the total District-wide appropriations.
- The amendment does not increase total appropriations within any individual fund.
- The amendment does not result in the use of fund balance beyond amounts already approved in the adopted budget.
- The amendment reflects:
    - Reallocations between line items,
    - Adjustments resulting from operational efficiencies, or
    - Timing differences within the same fund.

V. BOARD-APPROVED BUDGET AMENDMENTS

Board approval is required for any budget amendment that includes one or more of the following:

- An increase in total District-wide appropriations.
- An increase in total appropriations within any fund.
- The use of fund balance not previously authorized in the adopted budget.
- The addition of a new program, project, or capital initiative not contemplated in the adopted budget.
- A material change in revenue assumptions that impacts the District's financial position.

Such amendments shall be presented to the Board in written form and shall be approved by formal Board action.

VI. EMERGENCY AMENDMENTS

In the event of an emergency affecting public safety, critical infrastructure, or essential District operations, the Executive Director may authorize expenditures in excess of the adopted budget as permitted by law. Any such action shall be reported to the Board at the next regular Board meeting, along with a recommended budget amendment if required.

VII. DOCUMENTATION AND TRANSPARENCY

All budget amendments, whether administrative or Board-approved, shall be:

- Clearly documented,
- Retained in the District's financial records, and
- Reflected in budget-to-actual reports and year-end financial statements.

VIII. REVIEW AND UPDATES

This policy shall be reviewed periodically by staff and the Board and updated as necessary to reflect changes in law, best practices, or District operations.

1) The purpose of this policy is to promote wise investment in new capital assets of the District and protect its existing capital assets.

2) **Capital Improvement Plan.** Each year the District will update its long-range capital improvement plan (CIP). The CIP defines and prioritizes the capital projects that the District plans to take on in the next three years. In addition, it identifies all capital asset replacements out to 50 years. The 50 years represents the District's capital assets with the longest estimated useful life. The District includes the evaluation of the replacement of all of its capital assets to ensure that we are adequately planning for the funds needed and identifying funding sources and incorporating this information in our strategic plans.
   a) **Definition of a capital project.** A capital project in the CIP is a project with a useful life of no less than three years and whose value meets or exceeds the thresholds as defined in the table below:

ASSET CATEGORY	Useful Life	CAPITALIZATION THRESHOLD
Land	Indefinite	$1
Construction in Progress	N/A	N/A
Machinery, Equipment & Vehicles	5-30 Years	$10,000
Land Improvements	5-50 Years	$25,000
Building Improvements	5-40 Years	$25,000
Buildings	10-30 Years	$50,000
Infrastructure	40 Years	$50,000
Leased Asset	Term of Contract	$100,000
Subscription Based Information Technology Agreement	Term of Contract	$100,000

   b) **Link to needs assessments.** All projects in the CIP, with minor and few exceptions, should be based on needs assessments performed to determine the benefit of the asset compared to its cost.

3) **CIP Project Identification.** Each as part of the budget process, staff have the opportunity to request the acquisition of a capital asset. They complete a

Capital Requests Form. This form is then evaluated by the Capital Budget Team (CBT) consisting of representatives from the Parks and Finance departments and the Executive Director. If the CBT determines that the project meets the criteria explained in the CIP Project Selection section following; it will be included in the three-year CIP presented to the Board of Park Commissioners for their consideration.

a) **Long-term operating and maintenance costs.** The estimated costs to operate and maintain the asset over its estimated useful life must be noted on the Capital Requests Form. These costs are factored into the total cost of the request.

b) **Funding source.** The Capital Requests Form will indicate where the funding is expected to come from to acquire, operate and maintain the asset.

c) **Project timing**. The CIP will identify the proposed schedule for acquisition of the asset, in terms of years for purposes of developing the capital budget.

   i) For projects that include planning, bidding, construction and other milestones, staff will develop a plan for these phases to identify the when and what involved in each phase. This may be done by staff in conjunction with consultants for said project.

   ii) For capital asset acquisitions that do not involve all of these phases, such as for the purchase of a piece of equipment, staff will refer to the District's Bidding and Purchasing policies for the appropriate guidelines to follow for acquiring assets that have been approved through the budget and appropriations ordinance.

4) **CIP Project Selection.** Once the budget calendar deadline for Capital Requests Forms submission has passed, the CBT will meet and evaluate the submissions. Their evaluation process will include:

a) **Long-term forecasts**. Long-term forecasts should be prepared to make clear the resources available for capital spending and to assess the impacts of operation and replacement costs.

b) **Project impact**. A project should not be considered on its own. The impact a project has on other projects should be recognized and costs shared between them where appropriate.

c) **Funding of preliminary activities**. For some projects, it may be wise to fund only preliminary engineering/planning before promising to fund the whole project. These expenses can be large, so they should be assessed and prioritized.

d) **Operating and maintenance costs**. Resources should be identified to operate and maintain an asset before assigning resources to build it.

e) **Life cycle costing**. The cost study of a proposed project should include the life of the asset—from planning and acquisition to disposal.

f) **Project timing and scope**. Schedule and scope estimates should be achievable within the requested financial and human resources.

g) **Condition of existing asset**. For assets that are scheduled for replacement, an analysis of its current condition and use will be done to determine whether it is appropriate to replace it because of the continuing need for the use of the asset and because it has reached the end of its useful life. (See also Priority of Asset Maintenance and Funding of Asset Maintenance sections below.)

5) **Balanced CIP.** The CIP is a balanced, long-term plan. For the entire period of the CIP, revenues will be equal to the projected costs. It is possible that the plan will have more costs than revenues in any single year of the plan, due to timing of the receipt of various funding sources. Two examples are bond proceeds, which could be received in a year prior to the project or grants which may be reimbursed and received after the project is completed. However, all projects must be fully funded. Staff may record, on a separate document, projects that are deemed important but cannot fit into a balanced CIP. The Board of Park Commissioners may choose to look at unfunded projects and defund an existing project in favor of another.

6) **CIP Funding Strategy.** The District may elect to use debt financing to acquire an asset or pay-as-you-go financing (i.e., cash financing). Below are guidelines to help the District make the best choice between debt and pay-as-you-go financing.

   a) Factors that favor pay-as-you-go financing include situations where:

      i) The project can be funded from current revenues and fund balances;

      ii) The project can be finished within an acceptable time frame given the available revenues;

      iii) Additional debt levels could have a harmful effect on District's credit rating or repayment sources; or,

      iv) Market conditions are unstable or suggest difficulties in marketing a debt.

   b) Factors that favor long-term debt financing include situations where:

      i) Revenues that will be used to pay back debt are believed to be sufficient and reliable. This makes it more likely that long-term financing can be marketed with a suitable credit rating;

      ii) Market conditions present favorable interest rates and demand for government debt financing;

iii) A project is immediately required to meet or relieve capacity needs and existing cash reserves are insufficient to pay project costs; or,

iv) The useful life of the asset is five years or longer.

7) **Priority of Asset Maintenance and Replacement.** It is the policy of the District to maintain its assets at a level that protects capital investment and reduces future maintenance and replacement costs. Each year, the District staff will develop and recommend to Board of Park Commissioners a prioritized asset maintenance spending plan. This is done within the budget document presented for their review and approval.

8) **Funding of Asset Maintenance.** It is the District's policy to assign enough resources to preserve the District's existing assets to the best of its ability before assigning resources to build or acquire new assets that also have operating and maintenance needs. This policy protects our historical investment in capital assets.

The purpose of this policy is to establish clear capitalization thresholds and useful life standards for all capital assets, including tangible assets, intangible assets, and subscription-based information technology (IT) assets. This ensures consistency in financial reporting, depreciation, and asset management in accordance with the generally accepted accounting principles (GAAP), including GASB Statements No. 87 and 96.

All expenditures for capital assets over the capitalization thresholds depicted in the table below, with a useful life no less than three years are maintained on a computer capital asset system. The system records all pertinent asset information such as Tag#, location, description, and cost and date purchased/acquired. Assets are categorized by infrastructure, land, land improvements, building, building improvements, machinery, equipment & vehicles, leased assets and subscription-based information technology agreements. Due to accounting guidelines for Proprietary Funds, the assets of enterprise funds (a type of proprietary fund), such as Arrowhead Golf Club, and internal service funds (a type of proprietary fund), such as Information Systems and Telecommunications, are segregated from the general capital assets of the Park District.

Assets acquired in a group, which individually are below the capitalization limit, may be capitalized if those assets in the aggregate are significant. *(See GASB Implementation Guide 2021 question 5.1.)*

DEFINITIONS

Capital Asset

A capital asset is a resource with an initial useful life no less than three years and a cost above the established capitalization threshold. Capital assets may be tangible (e.g., vehicles, buildings) or intangible (e.g., software, licenses).

Capitalization Threshold

The minimum dollar value that determines whether an asset must be recorded as a capital asset on the financial statements. Costs below the threshold are

generally expensed unless required to be capitalized by standards (e.g., leases and subscriptions).

Useful Life

The estimated duration over which an asset is expected to provide service or utility to the organization. This duration guides depreciation or amortization schedules.

Depreciation

Depreciation is the systematic allocation of the cost of a tangible capital asset over its estimated useful life. It reflects the gradual loss of value of physical assets—such as buildings, vehicles, or equipment—due to wear and tear, obsolescence, or usage.

Amortization

Amortization is the systematic allocation of the cost of an intangible asset over its estimated useful or contractual life. It applies to assets that lack physical substance, such as software licenses, leases, patents, and subscription-based software (SBITAs).

CATEGORIES OF CAPITAL ASSETS

- Land includes all investments in real property, other than structures and ground improvement. Land is valued at the purchase price, plus closing costs, appraisal and negation fees, survey fees and preparation costs. Land is not depreciated.
- Machinery, Equipment and Vehicles include moveable personal property and any licensed or unlicensed motor vehicles. These assets are valued at total purchase price plus any payments necessary to put the asset into its intended state of operations. These assets are depreciated over 3 to 15 years.

- Land improvements are enhancements to land with a limited useful life (e.g. fences, paving, playground surfaces). The recordable cost of land improvements is any expenditure necessary to put the asset into service. These assets are depreciated over 10 to 20 years.
- Building improvements add value to existing structures and must significantly increase service capacity, extend the useful life or enhance functionality of a building. These assets are depreciated over 15 to 50 years.
- Buildings are structures that are permanently attached to land, have a roof, are partially or completely enclosed by walls and are not intended to be transportable or moveable. Buildings are valued at the purchase price, contract price or project cost. These assets are depreciated over 15 to 50 years.
- Infrastructure is long-lived capital assets that include assets such as roads, bridges, streets, drainage systems, and sewer/water lines. These assets are depreciated over 20 to 50 years.
- Leased Assets applies to an asset controlled by the government under a lease agreement of over 12 months for buildings, vehicles and equipment. These are recognized as “right-to-use assets” and are amortized over the shorter of the lease term or asset’s useful life.
- Subscription Based Information Technology Agreements are intangible assets in which an agreement provides the government with control of software accessed via subscription over a defined period in exchange for payment (e.g. cloud-hosted software). These assets are recordable as the useful life of the subscription term and are amortized over the same term.

ASSET CATEGORY	Useful Life	CAPITALIZATION THRESHOLD
Land	Indefinite	$1
Construction in Progress	N/A	N/A
Machinery, Equipment & Vehicles	5-30 Years	$10,000
Land Improvements	5-50 Years	$25,000
Building Improvements	5-40 Years	$25,000
Buildings	10-30 Years	$50,000
Infrastructure	40 Years	$50,000
Leased Asset	Term of Contract	$100,000
Subscription Based Information Technology Agreement	Term of Contract	$100,000

PURPOSE

The purpose of this policy is to establish the principles and parameters by which the projected end-of-year FUND BALANCE target will be defined at the beginning of each budget period. Each year, the budget document will include a discussion of the fund targets established in this policy and an explanation of any FUND BALANCE constraints or NET ASSETS restrictions. FUND BALANCE targets are established for governmental funds and NET ASSETS targets are established for proprietary funds.

The parameters established in this policy provide a range of acceptable amounts of end-of-year SPENDABLE FUND BALANCES for different types of governmental funds. In addition to establishing these targets, the policy intends that the District shall also maintain like targets in the proprietary funds. In proprietary funds however, the target is for the CASH & INVESTMENTS BALANCE. The reason for this requirement is that Net Assets of the proprietary funds don't represent spendable currency that could be used to pay the District's obligations. Establishing a policy that looks to both balances ensures that there is not a disparity between when financial resources actually become available to make payments and when they are needed.

The policy provides guidance to District staff who monitor the District's fiscal activity and who are responsible for proposing plans to meet the Park Board of Commissioners' goals.

The District will not propose a budget that would create a SPENDABLE FUND BALANCE in excess of the maximum parameters or less than the minimum parameters set forth in this policy, unless the Park Board of Commissioners resolves that it is in the best interest of the District to do so.

DEFINITIONS

CAPITAL ASSETS are long-lived, high-cost assets or improvements, needing additional investment once within a period of several years. The District's capitalization threshold for assets whose initial acquisition is $5,000 or greater and whose useful life is no less than three years.

CASH & INVESTMENTS BALANCE is the sum of the account balances in cash and investments. The estimate of the cash balance, as of the last day of the fiscal year, will be used as a target for budgeting for the fiscal year.

FUND BALANCE is represented in the annually audited financial reports for governmental funds and represents the amount of current resources available. It equals the beginning of year balance, plus all revenues and other financing sources accrued to the fund, minus all expenditures and other financing uses accrued to the fund during the year.

NET ASSETS is the amount remaining after subtracting total liabilities from total assets on a full accrual basis.

OPERATING EXPENSES This term refers to the total amount of budgeted expenses used for regular operations, less the amounts budgeted for CAPITAL ASSETS. This term is used by proprietary funds where transactions are recorded on a full accrual basis and the measurement focus is on changes in economic resources.

OPERATING EXPENDITURES This term refers to the total amount of budgeted expenditures used for regular operations, less the amounts budgeted for Capital Assets. This term is used by governmental funds where transactions are recorded on a modified accrual basis and the measurement focus is on changes in current financial resources.

NONSPENDABLE FUND BALANCE amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).

SPENDABLE FUND BALANCE represents that portion of FUND BALANCE that is in spendable form. Examples of assets that are considered "spendable" are cash, current investments, property taxes receivable. Examples of assets that would not be considered spendable would be inventory and prepaid items.

RESTRICTED FUND BALANCE amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

COMMITTED FUND BALANCE amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

ASSIGNED FUND BALANCES are amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

According to GAAP, Enterprise-type funds do not have "fund balance." For enterprise funds UNRESTRICTED NET ASSETS is a comparable figure.

UNRESTRICTED NET ASSETS is that portion of NET ASSETS that has not been restricted for a specific purpose.

GUIDING PARAMETERS

A target SPENDABLE FUND BALANCE is established to provide financial stability, cash flow for operations, and the assurance that the District will be able to respond to emergencies with fiscal strength. It is anticipated that unexpected situations may cause the District to fall below these targets, at which point certain steps will be followed to correct the deficiency, as outlined in this Policy below under "Minimum Targets". The District's flow assumption for Fund Balance is to spend first Restricted, then Committed and then Assigned Fund Balances.

The following parameters will be used as part of the budget process to establish targets for the following funds:

General Fund –The General Fund target limits the General Fund Spendable Fund Balance to a specific range based on OPERATING EXPENDITURES. The target range is three to six months of annual OPERATING EXPENDITURES. Balances above the maximum are transferred to the Capital Projects fund with Board approval.

Recreation Fund – The Recreation Fund's Spendable Fund Balance target is a minimum based upon OPERATING EXPENDITURES. The target range is two months to four months of annual OPERATING EXPENDITURES. Balances above the maximum are transferred to the Capital Projects fund with Board approval.

Museum, Insurance, Audit, FICA and IMRF Funds – These funds Spendable Fund Balance targets are no less than three months and no more than six months of OPERATING EXPENDITURES. These funds will be monitored and the taxes levied to support them will be adjusted to ensure that they operate within the target levels.

Special Recreation Fund – No target is established for this fund. All amounts levied are transferred to the Western DuPage Special Recreation Association (WDSRA) to provide for the recreational needs of our special needs population.

Debt Service Fund – The only activities in this fund are recording the taxes received to pay debt, paying debt and recording the small interest earned. 100% of a Debt Service Fund's Fund Balance is restricted for Debt Service, excess balances cannot be transferred to other funds. Because DuPage County has historically been so reliable for disbursing tax receipts, this fund's minimum target is $5,000. This assumes that the debt service payments due in June follow the traditional pattern of being interest only, and less than 50% of the total debt service for the year and that we will receive DuPage taxes on June 1st and 15th more than sufficient to cover the June debt service. The $5,000 is intended to cover the other expenses of the fund, such as paying agent fees. This fund's maximum target is the fund's annual budgeted expenditures. The maximum is not established as a goal to meet, but rather to readily illustrate the fund's annual cash needs. This fund's target is for Cash and Investments balance, not Fund Balance as the objective is to have sufficient cash on hand to pay obligations when due.

Capital Projects Fund – The Capital Projects Fund balance is reviewed in developing the Capital Improvements Program. Debt financing, grants, or interfund transfers can be used to finance projects when balances are not adequate. The Fund Balance of a capital project type fund is 100% restricted or assigned for Construction and Development. Also, all of the expenditures in these funds are for CAPITAL ASSETS. Increases and decreases in fund balances are associated with the specific projects planned. Therefore, no specific target is established for this fund.

Golf Fund – The target for this fund is bifurcated; there is a target established to accumulate the resources in Cash and Investments of at least $1,000,000 and no more than $10,000,000 for CAPITAL ASSETS for replacement of significant facility components, such as a portion of the roof of the Facility. This component will be reevaluated and may be revised as a long-term capital plan is developed for the Arrowhead facilities. This component will be tracked in the General Ledger and recorded as Designated Net Assets. Per this policy, no amount may be recorded as

Designated unless there is a like amount of CASH & INVESTMENTS available for the designated purpose. If the CASH & INVESTMENTS balance declines in subsequent period, the amount recorded as designated must be reduced accordingly. In order to begin accumulating these funds, the District will take 40% of its bottom line annually and designate it for this use. 12% of the 40% is to be designated for the Golf side and 28% for the Food & Beverage side, commensurate with their respective contributions to the bottom line.
The second component of this fund's target is the target for the UNRESTRICTED NET ASSETS and a like amount of CASH & INVESTMENTS. This target is a minimum of two months OPERATING EXPENSES and a maximum of four months of OPERATING EXPENSES. Once these two components have been satisfied, any remaining dollars are to be transferred to the Capital Projects Fund to support the capital needs of the District, consistent with the goal of this fund to support the District.
Internal Service Funds – No target is established for these funds as they are funded 100% by transfers from other funds. They exist to allow the District to independently track the amounts being expended for health and information systems & telecommunications.

REPORTING - Staff will prepare and include in the budget document a schedule that shows the status of the District's balances compared to the targets outlined in this policy. The Executive Director of the Wheaton Park District is given authority within this policy to assign fund balance to specific projects or planned expenditures.

MINIMUM TARGETS - Management will monitor the major revenue collections and the amount of cash available by reviewing the monthly financial reports. Further, in the interest of being transparent staff will prepare a monthly report identifying the relative fund balance positions for the governmental funds with such targets and the cash and investment position for the Golf Fund. During the year, if revenue projections suggest that revenue will not meet expectations and the fund target(s) will not be met by yearend, the Executive Director will take the following actions to reach the goals established in the adopted budget:

- Review expenses with Directors,
- Reduce capital asset expenditures,
- Reduce operational expenditures, where appropriate, while maintaining the adopted budget goals,
- Present to the Board of Park Commissioners other expenditure control options, including those that might modify the goals established in the adopted budget.

EXCEPTIONS TO THE POLICY - If the Board of Park Commissioners adopts a budget that does not meet the parameters of this policy, then the budget will include a plan for adhering to this Policy within a three-year period.

1. Purpose

The purpose of this policy is to establish clear guidelines and procedures for the proper handling, safeguarding, and accounting of cash transactions within the District. Effective cash handling practices are essential to maintain financial integrity and protect public funds. Strong internal controls help prevent mishandling of funds, safeguard against loss, and protect employees by defining responsibilities in the cash handling process. The District will strive to enforce segregation of duties to avoid having the same individual who collects cash also be responsible for depositing and reconciling cash.

2. Definitions

- **Cash:** Coins, currency, checks, gift certificates/gift cards, debit card and credit card transactions received or disbursed by the District.
- **Cash Handler:** Any employee or volunteer responsible for handling cash transactions.
- **Receipt:** A written record of cash received for goods, services, or programs.

3. Responsibilities

a. Cash Handlers
   i. Must adhere to this policy and exercise diligence in handling cash.
   ii. Responsible for ensuring accuracy, security, and proper documentation of all cash transactions.
   iii. Must promptly report any discrepancies, shortages, or irregularities to their supervisor.

b. Supervisors and Managers
   i. Oversee the cash handling process within their respective areas.
   ii. Responsible for training and supervising cash handlers.
   iii. Conduct regular audits and reconciliations.

4. Cash Receipts and Bank Deposits

a. Collection and Documentation
   i. All Cash received must be promptly recorded on an official receipt.

ii. Receipts should include:
    1. Date of transaction
    2. Description of goods or services
    3. Amount received
    4. Signature of the receipt (if applicable)
    5. Cash handlers must issue receipts (paper or electronic) for all cash received.

iii. Bank deposits should be made timely.
    1. For locations that manage smaller amounts of cash/checks, deposits should be made twice per week.
    2. For locations that manage larger amounts of cash/checks, deposits should be made daily.
    3. When transporting deposits, staff should use secure money bags. The transporter should go directly to the bank, at various times of the day, and ***not*** make any unnecessary stops. All money bags should be kept out of plain sight.

b. Secure Storage
    i. Cash must be stored securely in locked containers (e.g., cash drawers, safes).
    ii. Cash handlers should not leave cash unattended or accessible to unauthorized personnel.
    iii. Regular checks of cash storage are essential.

5. Petty Cash *(refer to the separate Petty Cash policy for more detail)*

a. Petty cash funds may be established for small, routine expenses.
b. A designated custodian will manage the petty cash fund.
c. Petty cash disbursements require proper documentation and approval.
d. Petty cash audits shall be conducted periodically by the Finance department staff. Audits will be performed unannounced with time and locations chosen at random.

6. Cash Disbursements

a. The disbursement of funds will be managed by the Finance Department in accordance with District policies. Any inquiries should be directed to the Director of Finance, Finance Manager, or Accounts Payable Supervisor.

b. Cash disbursements (e.g., refunds, reimbursements) must be supported by valid documentation (receipts, invoices).
c. Two authorized individuals will review and approve disbursements.
d. Cash should not be disbursed without proper authorization.

7. Reconciliation and Reporting *(refer to Daily Revenue Reporting Procedures for more detail)*

a. Cash handlers must reconcile cash balances daily.
b. Reconciliation involves comparing cash on hand with recorded transactions.
c. Discrepancies should be investigated promptly.
d. Cash Dailies must be submitted to the Finance department according to the established schedule.

8. Security Measures

a. Cash handlers should avoid discussing cash handling procedures in public areas.
b. Security cameras may be installed in cash handling locations.

9. Training and Communication

a. All employees involved in cash handling must receive training on the policy.
b. Updates or changes to the policy will be communicated promptly.

10. Review and Compliance

a. The District will periodically review and update this policy.
b. Compliance with this policy is mandatory for all staff and volunteers.

Cellular Phone Policy *(This policy is also in section 11.1 of the Personnel Manual)*
The Wheaton Park District recognizes that its employees' ability to communicate to supervisors, co-workers, vendors and others is sometimes essential to the efficient delivery of services to residents, and that such communication may occur through the use of a cellular phone ("cell phone") The purpose of this Cellular Phone Policy is to provide direction and parameters for approval and use of cell phones by Park District employees for Park District business.

Criteria for Use of a Park District Cell Phone to Conduct Park District Business
The Park District understands that employees may use a personal cell phone to perform responsibilities on behalf of the Park District. In addition, the Park District, at its own discretion, may issue a cell phone to an employee if such a cell phone is required to conduct his or her duties on behalf of the Park District. In all circumstances, a Park District-issued cell phone will be issued to an employee by the employee's Department Director upon the recommendation of the employee's immediate supervisor. The Department Directors will determine which package plan will be given for each position in his or her department, depending upon the need and responsibilities of the position. Generally, criteria that will be considered whether a Park District cell phone will be issued to an employee includes the following:

(a) The job function of the employee requires considerable time outside of his/her assigned office or work area and, in order to effectively perform his or her job, the employee must be accessible during such times or needs constant access to emails and other electronic information;

(b) The job function of the employee requires him/her to be accessible to the Park District outside of scheduled or normal working hours on a recurring basis;

(c) The employee is a critical decision maker, as determined by his or her Department Director;

(d) The employee has a position that requires him or her to be an emergency contact, part of a response team, or has multiple scheduling responsibilities; or

(e) An employee that is required to be highly responsive to citizens, staff members, customers, service providers, contractors, vendors, and any others that support or service the Park District outside of normal business hours.

The Park District reserves the right to modify the criteria required for an employee to be issued a Park District cell phone, periodically review an employee's position to determine if a cell phone is still needed by the employee to perform his or her job, utilize other factors in determining whether to issue a cell phone to an employee or whether to continue to allow an employee to retain a cell phone, change the cellular or data plan, or revoke the approved use of a Park District cell phone at any time, with or without notice, in the Park District's sole discretion.

Use of Park District-Issued Cell Phones

(a) Unless the employee agrees to pay for personal usage of the Park District cell phone, a Park District-issued cell phone is intended to be used for official Park District business only and employees are not to use the cell phone for any personal reasons.

(b) Subject to the terms of this Policy, an employee issued a Park District cell phone may use the cell phone for personal use if he or she agrees to deduct an amount specified by the Human Resources Manager, based on current plan prices, on the first two pay cycles of each month for said personal usage. An employee wishing to use his or her Park District issued cell phone for personal use should contact payroll for current rates for the same. Also, because it is possible that a part time employee would not work every pay period and thus not be able to have a personal deduction made every pay period, part time employees will not be eligible for having a District cell phone assigned exclusively to them and allowed to use it for personal use as well as business use. They may be assigned a District cell phone for business use only, but if they are found to use it for personal use, loss of privilege of District-owned phone will ensue.

(c) Employees are responsible for the safe-keeping of a Park District issued cell phone and must not allow the cell phone to be used by an unauthorized party. If an employee believes a breach of security has occurred with respect to his or her cell phone, or discovers another employee has misused said cell phone, he/she must notify the Executive Director immediately.

(d) Employees are to use care and caution when downloading a web application or any other program on the Park District issued cell phone. The costs associated with the downloading of unauthorized web applications and any other unauthorized downloads are the responsibility of the employee and prior approval must be obtained.

(e) Employees whose personal cellular phone usage is excessive, resulting in additional expense to the Park District, may be required to reimburse the Park District for phone charges for personal, non-business related long distance, or other charges that exceed the Park District's contracted package allocations.

(f) A cell phone assigned to an employee may be revoked at any time at the discretion of the Department Director or Executive Director, with or without notice.

Use of Personal Cell phones to Conduct Park District Business

An employee who is eligible for a Park District issued cell phone based on the criteria set forth in 11.1 above may choose to opt out of using a Park District issued cell phone and use their personal cell phone for Park District business as set forth herein.

In the event an employee eligible to receive a Park District issued cell phone opts to use his or her own personal phone, the employee will obtain a contract of their choosing at their sole

expense and the Park District will issue the employee a stipend for the employee's use of his or her personal cell phone for Park District business. The stipend will be established by the Park District, will be paid the first two pay cycles of each month, and will appear on the employee's paycheck. In the event a part time employee is offered a stipend for their use of a personal cell phone, they will receive said stipend for the first two pay periods of the month only when they receive a paycheck for hours worked in that pay period. If they do not work in that pay period, they will not receive a stipend for that pay period. The plan chosen by the employee for their personal cell phone will have no bearing on the level of stipend provided. The employee is responsible for all charges associated with their personal use of the cell phone beyond the Park District stipend. The stipend shall terminate on the last paycheck upon termination or if the employee's privileges for the stipend are withdrawn.

Employees receiving a stipend must maintain their account in good standing and shall notify their Department Director immediately if for any reason their personal cell phone becomes inoperative. With respect to cell phone use, the employee must also agree to publish their personal phone number in the internal Park District phone directory.

Rules for Use of Cell Phones

Employees are expected to behave in a professional and courteous manner while using a cell phone to perform Park District business and shall comply with all Park District policies and procedures contained in the Park District's Personnel Employee Manual in said use, including but not limited to the Park District's policies against sexual or other harassment. Therefore, an employee shall not create, send or receive any intimidating, hostile, or offensive communications or materials concerning race, color, religion, sex, age, national origin, disability, or any other protected class on his or her cell phone Additionally:

(a) Cell phone use is discouraged when a desktop phone is available and can be used. While at work, employees are expected to exercise the same discretion in using personal cell phones as is expected for the use of Park District desktop phones. Personal calls should be brief and limited in nature.

(b) Any employee who engages in excessive, frivolous or inappropriate texting, emailing, telephoning, or other activities with a cell phone during working hours is not being attentive to his/her work duties, and, at the discretion of the Executive Director, the employee may be subject to disciplinary action up to and including termination of employment, loss of privilege of District-owned phone, or financial liability for the costs associated with the employee's improper use of Park District equipment and resources.

(c) Any communication sent by a personal cell phone regarding Park District business is also subject to disclosure under the Freedom of Information Act (FOIA) and release pursuant to a

discovery request in the event of litigation. As such, employees using cell phones, whether Park District issued or personal, for Park District business, shall not delete and shall take the necessary steps to protect access to and archive Park District information contained in emails, texts, internet, and any other electronic communication on the employee's cell phone.

(d) Regardless whether an employee is using a personal, or Park District-issued, cell phone, he/she is expected to perform his/her duties in a professional and safe manner and is prohibited from use of mobile technology while operating a motor vehicle on behalf of the Park District, is expected to comply with all state and federal laws regarding the use of cell phones.

i. Employees using cellular phones for Park District business purposes are expected to refrain from making or answering work related calls while driving on Park District business for safety purposes. Employees must pull off to the side of the road prior to placing or accepting a call. Special care should be taken in situations where there is traffic, inclement weather, or the employee is driving in an unfamiliar area. Under no circumstances are employees allowed to place themselves at risk to fulfill business needs.

ii. No employee may operate a motor vehicle on a roadway while using an electronic communication cell phone to compose, send, or read an electronic message The definition of an “electronic message” includes, but is not limited to, a text message, an instant message, or a command or request to access an internet site.

iii. In compliance with state law, no employee may operate a motor vehicle in a **SCHOOL** or on a highway **CONSTRUCTION** zone while using a cell phone without the use of a hands-free cell phone. 625 ILCS 5/12-610.1

Any employee that uses a cell phone to conduct Park District business in violation of this Policy shall be subject to discipline, up to and including dismissal.

No Expectation of Privacy

Employees have no expectation of privacy in the contents of any data stored on, sent to, sent from, or received from a cell phone issued by the Park District. Wheaton Park District reserves the right to audit and monitor the use of any Park District-issued cell phone, including any data that has been sent, received, or stored on the cell phone, including but not limited to, all web browsing, phone calls, text messages, e-mails, pictures, videos and other images.

Any communication sent by a personal cell phone regarding Park District business is also subject to disclosure under FOIA and release pursuant to a discovery request in the event of litigation.

Repair, Replacement and Removal of Cell phones

An employee in possession of a Park District-issued cell phone is expected to take reasonable precautions to protect the equipment from loss, damage, or theft. If an employee’s cell phone

is not operating properly, he/she should notify his/her supervisor before taking any steps to repair or replace the cell phone. If the cell phone needs service or replacement due to normal wear and tear, the Park District will decide whether to repair or replace the cell phone and such cost shall be at the expense of the Wheaton Park District.

If the Park District-issued cell phone is damaged due to the employee's carelessness, the employee is responsible for paying the expense of having the cell phone repaired or replaced. In such an instance, the Park District will determine whether the cell phone will be repaired or replaced. Likewise, the employee shall pay the expense of replacing his/her Park District-issued cell phone if the cell phone is lost or stolen.

The employee bears sole responsibility for the cost of any repairs or replacement if a personal cell phone is damaged or lost while the employee is performing responsibilities on behalf of the Park District.

A Park District-issued cell phone is the property of the Wheaton Park District and as such may be removed from the employee's possession at any time. Upon resignation or termination of employment, or at any time upon request, the employee must produce the cell phone for return or inspection. Employees who do not present the cell phone in good working condition within the requested time period may be required to pay the cost of its replacement.

The Park District has the right to amend this policy at any time, with or without notice.

A. Purpose

The purpose of this policy is to identify the various revenues sources the District has available to it and to specify what services those revenues sources are intended to support.

B. Revenue Sources

The District has nine revenue sources. They include: taxes, charges for services, debt proceeds, rentals, product sales, grants & donations, miscellaneous revenues, interest and transfers in.

C. Services Supported

1. **Taxes** are used to support services that are desired by the public but not readily charged to users, community support for a desired amenity, or for users who may not have the ability to pay.
    a. Examples of services not readily charged directly to users are park maintenance, snow removal on District property and facility accessibility.
    b. Examples of services provided due to community support for a desired amenity are the Cosley Zoo, Central Athletic Center and the Community Center.
    c. Examples of services where users may not have the ability to pay would be leisureship support provided to residents who lack the financial resources to participate in some of our program activities or facility use passes (such as pool passes in the summer).

2. **Charges for services** are the fees the District provides to users directly based upon their consumption of our services. This includes a wide variety of programming offered through our Recreation, Athletic, Historical Museum, Lincoln Marsh, and Cosley Zoo Departments. It also includes sponsorships/advertising for various events and/or in our brochures. It also includes memberships at our seasonal outdoor pools and at our Parks Plus Fitness Center. Additionally, green fees, golf lessons, driving range fees and cross country skiing fees are included in Charges for services. The District also has a "Fees and Charges Policy" that delves into this revenue source in greater depth, examining how to justify the means of determining fees and charges.

3. **Debt proceeds** are funds received from issuing debt. The District limits long-term debt to only those capital improvements that cannot be financed from current revenues. The District does not issue debt

to fund operations. The District's "Debt Policy" spells out in detail the reasons for issuing debt and related goals.

4. **Rentals** include facility rentals, park permits, field rentals, cell tower rentals, and golf equipment rentals. Rental rates are intended to recoup direct costs of the rental and where possible to cover indirect and related selling costs.

5. **Product sales** include concession operations, athletic uniforms, gift shop sales, restaurant food and liquor sales, beverage cart sales, halfway house sales, and banquet sales. These revenues are intended to cover all associated costs as well as providing funds to support the related operations.

6. **Grants & donations** include grants and donations from other units of government and philanthropic organizations. The most significant recurring source of donations for the District is actually the three 501c-3 foundations that the District has established (Cosley Zoo Foundation, DuPage County Historical Museum Foundation and the Play for All Foundation). The District encourages potential donors to make donations to these foundations to benefit the District as they exist solely to support various aspects of the District's mission.

7. **Miscellaneous income** consists of sundry sources of income that are either immaterial in amount or infrequent in occurrence or both. An example of one miscellaneous income source is the sale of scrap materials by our Parks Department.

8. **Interest income** consists of interest earned on investments of the District's idle cash. Although not a material source of income for the District, these funds are used to support services as needed, but primarily those as described for Tax revenues.

9. **Transfers in** are primarily interfund transfers, which in most years are funds transferred from operating funds (specifically General, Recreation, and Golf funds) to the Capital fund to pay for capital projects of the District. This does not include capital projects for the Golf fund, which are funded directly by the Golf fund in that fund.

10. **One-Time Revenues** The District will not use one-time revenues to support recurring expenses. This policy helps the District to spend within its means and stay financially healthy. Some of the District's revenue sources are unstable. This means that the amount the

District receives from that source can vary from year to year. Grants and Donations are good examples. Because these revenues are unstable and unreliable, the District cannot assume that the same revenue will be available in future years. Therefore, the District will treat the portion of the revenue that is above what we normally receive as if it were a one-time revenue.

CONTRACTS

The Park District shall award and enter into contractual agreements with vendors for completion of construction projects and for the procurement of goods and services for other than construction projects (such as service agreements) if it is determined to be in the best interest of the District. Said contract shall be dated and signed by the Executive Director of the Park District and by an officer of the contracting organization and filed in the Administrative Offices of the District and stored electronically attached to the applicable vendor within the District's licensed financial software.

I. PURPOSE AND GOALS

The Wheaton Park District developed this Debt Management Policy to help ensure the District's creditworthiness and to provide a functional tool for debt management and capital planning. The Wheaton Park District faces continuing capital infrastructure requirements to meet the increasing needs of its residents. The District limits long-term debt to only those capital improvements that cannot be financed from current revenues. The District does not use long-term debt to fund operating programs.

Consequently, the District needs to anticipate increases in debt levels based upon historical data. With these increases, the effects of decisions regarding the type of issue, method of sale, and payment structure become ever more critical to the District's financial well-being. To help ensure the District's credit worthiness, an established program of managing the District's debt becomes essential.

The purpose of this policy is to provide a functional tool for debt management and capital planning, as well as enhancing the District's reputation for managing its debt in a conservative and prudent manner.

GOALS RELATED TO THE ISSUANCE OF GENERAL OBLIGATION AND REVENUE BOND DEBT

In following this policy, the District shall pursue the following goals when issuing debt:

- Maintain at least an A2 credit rating for each rated general obligation debt issue.
- Take all practical precautions to avoid any financial decision which will negatively impact current credit ratings on existing or future debt issues.
- Consider market timing.
- Determine the amortization (maturity) schedule which will best fit with the overall debt structure of the District's general obligation debt and related tax levy at the time the new debt is issued. The District may choose to delay principal payments or capitalize interest during project construction. For issuance of revenue bonds, the amortization schedule which will best fit with the overall debt structure of the enterprise fund and its operating cash flow will be considered. Consideration will be given to coordinating the length of the issue with the lives of assets, whenever practicable, while considering repair and replacement costs of those assets to be incurred in future years as an offset to the useful lives, and the related length of time in the payout structure.
- Consider the impact of such new debt on overlapping debt and the financing plans of local governments which overlap, or underlie the District.
- Assess financial alternatives to include new and innovative financing approaches, including, whenever feasible, grants, revolving loans or other state/federal aid.
- Minimize debt interest costs.
- Level or declining debt service shall be employed unless operational matters dictate otherwise, or except to achieve overall level debt service with existing bonds. The District shall be mindful of the potential benefits of bank qualification and will strive to limit its annual issuance of debt to $10 million or less when such estimated benefits are greater than the benefits of exceeding the bank qualification limit. Should subsequent changes in the law alter this limit, the District policy will be reevaluated.

II. DEBT ISSUANCE IN GENERAL

A. Authority and Purposes of the Issuance of Debt

The laws of the State of Illinois authorize the issuance of debt by the District. The Local Bond Law confers upon park districts the power and authority to contract debt, borrow money, and issue bonds for public improvement projects as defined therein. Under these provisions, the District may contract debt to pay for the cost of acquiring, constructing, reconstructing, improving, extending, enlarging, and equipping such projects or to refund bonds.

B. Types of Debt Issued

1. Short-Term. (three years or less) The District may issue short-term debt to finance the purchase of non-capital equipment having a life exceeding one year or provide increased flexibility in financing programs. The District will have no more than 10% of its outstanding general obligation debt in short term debt.
2. Long-Term. (more than three years) The District may issue long-term debt which may include, but not be limited to, general obligation bonds, certificates of participation, capital appreciation bonds, special assessment bonds, self-liquidating bonds, double barreled bonds, and municipal bonds. The District may also enter into long-term leases for public facilities, property, and equipment with a useful life greater than one year.

C. Capital Improvement Program

The Capital Improvement Program (CIP), prepared by staff, and must be approved by the Board, and shall determine the District's capital needs. The program shall be a five-year plan for the acquisition, development and/or improvement of the District's capital assets. Projects included in the CIP shall be prioritized; and the means for financing each shall be identified. The first year of the program shall be the Capital Budget. If the current resources are insufficient to meet the needs identified in the Capital Budget, the Board may consider incurring debt to fund the shortfall. The Board, upon advice from a District's municipal advisor, may also consider funding multiple years of the Capital Improvement Program by incurring debt. The CIP should be revised and supplemented each year in keeping with the District's policies on debt management.

D. Structure of Debt Issues

The duration of a debt issue shall not exceed the economic or useful life of the improvement or asset that the issue is financing. The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions and, as practical, to recapture or maximize its credit capacity for future use, and moderate the impact to the taxpayer. In keeping with the stated goals of this debt management policy, the District shall structure each general obligation issue (except refunding issues) to comply with the rapidity of debt repayment provisions in Section III. E. 1. (see below).

E. Sale of Securities

All debt issues should be sold through a competitive bidding process based upon the lowest offered True Interest Cost (TIC), unless Board deems a negotiated sale the most advantageous to the District.

F. Credit Enhancements

The District may enter into agreements with commercial banks or other financial entities for the purpose of acquiring letters of credit, municipal bond insurance, or other credit enhancements that will provide the District with access to credit under terms and conditions as specified in such agreements when their use is judged cost effective or otherwise advantageous. Any such agreements shall be approved by the Board.

G. Bond Ratings

The Board, upon advice from the District's municipal advisor, may also consider obtaining a bond rating on any bonds issued.

H. Inclusion of Local Institutions

In the interest of promoting Wheaton, whenever practical and in the best interests of the Wheaton Park District, local financial institutions are to be offered the opportunity to bid on debt instruments.

III. LEGAL CONSTRAINTS AND OTHER LIMITATIONS ON THE ISSUANCE OF DEBT

A. State Law

30 ILCS 305/0.0 I, et. seq.: the short title is "The Bond Authorization Act."

B. Authority for Debt

The District may, by bond ordinance, incur indebtedness or borrow money, and authorize the issue of negotiable obligations, including refunding bonds, for any capital improvement of property, land acquisition, or any other lawful purpose except current expenses, unless approved by the Board.

C. Debt Limitation

The debt limitations of the bond laws restrict the District to issues such that the aggregate principal indebtedness of the District does not exceed 2.875% of the taxable real property within the District.

D. Methods of Sale

Bonds will be sold in accordance with 30 ILCS 350/10 by means of a public or private sale as determined appropriate by the Board of Park Commissioners. The District may issue short-term notes by negotiated sale if the bond ordinance or subsequent resolution so provides.

1. Bonds. All bonds will mature within the period or average period of usefulness of the assets financed; and the bonds will mature in installments, the first of which is payable not more than three years from the dated date of the bonds.

2. Municipal Advisor. To ensure independence, the Municipal Advisor retained by the District will not bid on nor underwrite any District debt issues on which it is advising.

E. Credit Implications

When issuing new debt, the District should not exceed credit industry benchmarks where applicable. Therefore, the following factors should be considered in developing debt issuance plans:

1. Rapidity of Debt Service Repayment

The District's general obligation bond issues should be structured whereby 100% of the debt will be retired within twenty years. It is also desirable to structure the District's general obligation bond issues so that at least 50% of the principal will be retired within 10 years.

2. Current General Fund Cash Reserve

The District should maintain a General Fund cash and investments balance equal to no less than three months of total annual expenditures, exclusive of capital expenditures (assumed to be expenditures that would be discretionary should the economy take a nosedive). The Recreation Fund should maintain a cash and investments balance equal to no less than two months of total annual expenditures, exclusive of capital expenditures. Such calculations, including a projection to December 31st (of the current fiscal year), shall be made on an annual basis by the Finance Director during the budget process.

IV. DEBT ADMINISTRATION

A. Financial Disclosures

The District shall prepare appropriate disclosures as required by the Securities and Exchange Commission, the federal government, the State of Illinois, rating agencies, underwriters, investors, agencies, taxpayers, and other appropriate entities and persons to ensure compliance with applicable laws and regulations. For more details on these disclosures, please refer to the District's Disclosure Policy.

B. Review of Financing Proposals

All capital financing proposals that involve a pledge of the District's credit shall be referred to the Finance Director/Treasurer who shall determine the financial feasibility and impact on existing debt of such proposal, and shall make recommendations accordingly to the Executive Director.

C. Refunding Policy

The District should consider refunding outstanding debt when legally permissible and financially advantageous. A net present value debt service savings of at least three percent or greater must be achieved.

D. Investment of Borrowed Proceeds

The District acknowledges its ongoing fiduciary responsibilities to actively manage the proceeds of debt issued for public purposes in a manner that is consistent with Illinois statutes that govern the investment of public funds, and consistent with the permitted securities covenants of related bond documents executed by the District. The management of public funds should enable the District to respond to changes in markets or changes in payment or construction schedules so as to (i) minimize risk, (ii) ensure liquidity, and (iii) optimize returns.

E. Annual Evaluation of Refinancing Opportunities

The District shall on an annual basis ensure that an evaluation of the outstanding debt issues is performed to ascertain whether a refinancing is appropriate for any of the outstanding issues.

V. GLOSSARY OF TERMS

Ad Valorem Tax - A direct tax based "according to value" of property.

Advanced Refunding Bonds - Bonds issued to refund an outstanding bond issue prior to the date on which the outstanding bonds become due or callable. Proceeds of the advanced refunding bonds are deposited in escrow with a fiduciary, invested in United States Treasury Bonds or other authorized securities, and used to redeem the underlying bonds at maturity or call date.

Amortization - the process of paying the principal amount of an issue of bonds by periodic payments either directly to bondholders or to a sinking fund for the benefit of bondholders.

Arbitrage - Usually refers to the difference between the interest paid on the tax-exempt securities and the interest earned by investing the proceeds in higher yielding taxable securities. Internal Revenue Service regulations govern arbitrage (reference I.R.S. Reg. 1.103-13 through 1.103-15).

Arbitrage Bonds - Bonds which are deemed by the I.R.S. to violate federal arbitrage regulations. The interest on such bonds becomes taxable and the bondholders must include this interest as part of gross income for federal income tax purposes (I.R.S. Reg. 1.103-13 through 1.103-15).

Assessed Value - An annual determination of the just or fair market value of property for purposes of ad valorem taxation.

Basis Point - 1/100 of one percent.

Bond - Written evidence of the issuer's obligation to repay a specified principal amount on a date certain, together with interest at a stated rate, or according to a formula for determining that rate.

Bond Anticipation Notes (BANS) - Short-term interest bearing notes issued by a government in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

Bond Counsel - An attorney retained by the District to render a legal opinion whether the District is authorized to issue the proposed bonds, has met all legal requirements necessary for issuance, and whether interest on the bonds is, or is not, exempt from federal and state income taxation.

Bonded Debt - The portion of an issuers total indebtedness represented by outstanding bonds.

Direct Debt or Gross Bonded Debt – Is the sum of the total bonded debt and any unfunded debt of the issuer.

Net Direct Debt or Net Bonded Debt – Is the Direct debt less sinking fund accumulations and all self-supporting debt.

Total Overall Debt – Consists of Net direct debt plus the issuer's applicable share of the direct debt of all overlapping jurisdictions.

Net Overall Debt - Net direct debt plus the issuer's applicable share of the net direct debt of all overlapping jurisdictions.

Overlapping Debt - The issuer's proportionate share of the debt of other local governmental units which either overlap or underlie it

Callable Bond - A bond which permits or requires the issuer to redeem the obligation before the stated maturity date at a specified price, called the call price, usually at or above par value.

Capital Appreciation Bonds (CAB) - A long-term security on which the investment return is reinvested at a stated compound rate until maturity. The investor receives a single payment at maturity representing both the principal and investment return.

Certificates of Participation - Documents, in fully registered form, that act like bonds. However, security for the certificates is the government's intent to make annual appropriations during the term of a lease agreement. No pledge of full faith and credit of the government is made. Consequently, the obligation of the government to make basic rental payments does not constitute an indebtedness of the government.

Commercial Paper - Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank.

Coupon Rate - The annual rate of interest payable on a coupon bond (a bearer bond or bond registered as to principal only, carrying coupons evidencing future interest payments), expressed as a percentage of the principal amount.

Debt Limit - The maximum amount of debt an issuer is permitted to incur under constitutional, statutory or charter provision.

Debt Service - The amount of money necessary to pay interest on an outstanding debt, the serial maturities of principal for serial bonds, and the required contributions to an amortization or sinking fund for term bonds.

Demand Notes (Variable Rate) - A short-term security which is subject to a frequently available put option feature under which the holder may put the security back to the issuer after giving specified notice. Many of these securities are floating or variable rate, with the put option exercisable on dates on which the floating rate changes.

Double Barreled Bonds (Combination Bonds) - A bond which is payable from the revenues of a governmental enterprise and are also backed by the full faith and credit of the governmental unit.

Enterprise Funds - Funds that are financed and operated in a manner similar to private business in that goods and services provided are financed primarily through user charges.

General Obligation Bond - A bond for whose payment the full faith and credit of the issuer has been pledged. More commonly, but not necessarily, general obligation bonds are payable from ad valorem property taxes and other general revenues.

Lease Purchase Agreement (Capital Lease) - A contractual agreement whereby the government borrows funds from a financial institution or a vendor to pay for capital acquisition. The title to the asset(s) normally belongs to the government with the lessor acquiring security interest or appropriate lien therein.

Letter of Credit - A commitment, usually made by a commercial bank, to honor demands for payment of a debt upon compliance with conditions and/or the occurrence of certain events specified under the terms of the commitment.

Level Debt Service – An arrangement of serial maturities in which the amount of principal maturing increases at approximately the same rate as the amount of interest declines.

Long-Term Debt - Long-term debt is defined, for purposes of this policy, as any debt incurred whose final maturity is more than three years.

Maturity - The date upon which the principal of a municipal bond becomes due and payable to bondholders.

Mini-bonds - A small denomination bond directly marketed to the public.

Net Interest Cost (NIC) - The traditional method of calculating bids for new issues of municipal securities. The total dollar amount of interest over the life of the bonds is adjusted by the amount of premium or discount bid, and then reduced to an average annual rate. The other method is known as the true interest cost (see "true interest cost").

Offering Circular - Usually a preliminary and final document prepared to describe or disclose to investors and dealers information about an issue of securities expected to be offered in the primary market. As a part of the offering circular, an official statement shall be prepared by the District describing the debt and other pertinent financial and demographic data used to market the bonds to potential buyers.

Other Contractual Debt - Purchase contracts and other contractual debt other than bonds and notes. Other contractual debt does not affect annual debt limitation and is not a part of indebtedness within the meaning of any constitution or statutory debt limitation or restriction.

Par Value or Face Amount - In the case of bonds, Par Value or Face Amount is the amount of principal which must be paid at maturity.

Parity Bonds - Two or more issues of bonds which have the same priority of claim or lien against pledged revenues or the issuer's full faith and credit pledge.

Principal- The face amount or par value of a bond or issue of bonds payable on stated dates of maturity.

Ratings - Evaluations of the credit quality of notes and bonds, usually made by independent rating services, which generally measure the probability of the timely repayment of principal and interest on municipal bonds.

Refunding Bonds - Bonds issued to retire bonds already outstanding.

Registered Bond - A bond listed with the registrar as to ownership, which cannot be sold or exchanged without a change of registration.

Reserve Fund - A fund which may be used to pay debt service if the sources of the pledged revenues do not generate sufficient funds to satisfy the debt service requirements.

Self Supporting or Self Liquidating Debt - Debt that is to be repaid from proceeds derived exclusively from the enterprise activity for which the debt was issued.

Short-Term Debt -Short-term debt is defined for purposes of this policy as any debt incurred whose final maturity is three years or less.

Spread - The income earned by the underwriting syndicate as a result of differences in the price paid to the issuer for a new issue of municipal bonds, and the prices at which the bonds are sold to the investing public, usually expressed in points or fractions thereof.

Tax-Exempt Bonds - For municipal bonds issued by the District tax-exempt means interest on the bonds are not included in gross income for federal income tax purposes; the bonds are not items of tax preference for purposes of the federal, alternative minimum income tax imposed on individuals and corporations; and the bonds are exempt from taxation by the State of Illinois.

Term Bonds - Bonds coming due in a single maturity.

True Interest Cost (TIC) - Also known as Canadian Interest Cost. A rate which, when used to discount each amount of debt service payable in a bond issue, will produce a present value precisely equal to the amount of money received by the issuer in exchange for the bonds. The TIC method considers the time value of money while the net interest cost (NIC) method does not.

Yield to Maturity - The rate of return to the investor earned from payments of principal and interest, with interest compounded semiannually and assuming that interest paid is reinvested at the same rate.

Zero Coupon Bond - A bond which pays no interest, but is issued at a deep discount from par, appreciating to its full value at maturity.

Pursuant to the District's responsibilities under the securities laws, including its continuing disclosure undertakings (the *"Undertakings"*) under Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, and the Securities and Exchange Commission's statements in enforcement actions, it is necessary and in the best interest of the District that the District's (i) preliminary and final official statements or offering circulars and any supplements or amendments thereto (collectively, the *"Official Statements"*), disseminated by the District in connection with any bonds, notes, certificates or other obligations, (ii) Annual Financial Information, as required by and defined in the Undertakings (the *"Annual Financial Information"*) to be filed with the Municipal Securities Rulemaking Board's (*"MSRB"*) Electronic Municipal Market Access (*"EMMA"*) system, and (iii) notices of Material Events or Reportable Events, each as defined in the Undertakings, and any other required or voluntary disclosures to EMMA (each, an *"EMMA Notice"*) comply in all material respects with the federal securities laws. Further, it is necessary and in the best interest of the District that the District adopt policies and procedures to enable the District to create accurate disclosures with respect to its (i) Official Statements, (ii) Annual Financial Information, and (iii) EMMA Notices. Official Statements, Annual Financial Information and EMMA Notices are collectively referred to herein as the *"Disclosures."*

In response to these interests, the District hereby adopts the following policies and procedures (the *"Disclosure Policy"*):

(a) *Disclosure Officer*. The Finance Director of the District (the *"Disclosure Officer"*) is hereby designated as the officer responsible for the procedures related to Disclosures as hereinafter set forth (collectively, the *"Disclosure Procedures"*).

(b) *Disclosure Procedures: Official Statements*. Whenever an Official Statement will be disseminated in connection with the issuance of obligations by the District, the Disclosure Officer will oversee the process of preparing the Official Statement pursuant to the following procedures:

1. The District shall select (a) the working group for the transaction, which group may include outside professionals such as disclosure counsel, a municipal advisor and an underwriter (the *"Working Group"*) and (b) the member of the Working Group responsible for preparing the first draft of the Official Statement.

2. The Disclosure Officer shall review and make comments on the first draft of the Official Statement. Such review shall be done in order to determine that the Official Statement does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement not misleading. Particular attention shall be paid to the accuracy of all descriptions, significant information and financial data regarding the District. Examples include confirming that information relating to the District, including but not limited to demographic changes, the addition or loss of major employers, the addition or loss of major taxpayers or any other material information within the knowledge of the Disclosure Officer, is included and properly disclosed. The Disclosure Officer shall also be responsible for ensuring that the financial data presented with regard to the District is accurate and corresponds with the financial information in the District's possession, including but not limited to information regarding bonded indebtedness, notes, certificates, outstanding leases, tax rates or any other financial information of the District presented in the Official Statement.

3. After completion of the review set forth in 2. above, the Disclosure Officer shall (a) discuss the first draft of the Official Statement with the members of the Working Group and such staff and officials of the District as the Disclosure Officer deems necessary and appropriate and (b) provide comments, as appropriate, to the members of the Working Group. The Disclosure Officer shall also consider comments from members of the Working Group and whether any additional changes to the Official Statement are necessary or desirable to make the document compliant with the requirements set forth in 2. above.

4. The Disclosure Officer shall continue to review subsequent drafts of the Official Statement in the manner set forth in 2. and 3. above.

5. If, in the Disclosure Officer's reasonable judgment, the Official Statement does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement not misleading, the Official Statement may, in the reasonable discretion of the Disclosure Officer, be released for dissemination to the public; *provided, however,* that the use of the Official Statement must be ratified, approved and authorized by the Board of Park Commissioners of the District.

(c) *Disclosure Procedures*: *Annual Financial Information*. The Disclosure Officer will oversee the process of preparing the Annual Financial Information pursuant to these procedures:

1. By June 29 of each year (the same being at least 30 days prior to the last date on which the Annual Financial Information is required to be disseminated pursuant to the related Undertaking, the Disclosure Officer shall begin to prepare (or hire an agent to prepare) the Annual Financial Information. The Disclosure Officer shall also review the audited or unaudited financial statements, as applicable, to be filed as part

of the Annual Financial Information (the *"Financial Statements"*). In addition to the required updating of the Annual Financial Information, the Disclosure Officer should consider whether additional information needs to be added to the Annual Financial Information in order to make the Annual Financial Information, including the Financial Statements, taken as a whole, correct and complete in all material respects. For example, if disclosure of events that occurred subsequent to the date of the Financial Statements would be necessary in order to clarify, enhance or correct information presented in the Financial Statements, in order to make the Annual Financial Information, taken as a whole, correct and complete in all material respects, disclosure of such subsequent events should be made.

2. If, in the Disclosure Officer's reasonable judgment, the Annual Financial Information, including the Financial Statements, is correct and complete in all material respects, the Disclosure Officer shall file the Annual Financial Information with EMMA (or confirm that such filing is completed by any agent hired by the District for such purpose) within the timeframe allowed for such filing.

(d) *Disclosure Procedures*: *EMMA Notices*. Whenever the District determines to file an EMMA Notice, or whenever the District decides to make a voluntary filing to EMMA, the Disclosure Officer will oversee the process of preparing the EMMA Notice pursuant to these procedures:

1. The Disclosure Officer shall prepare (or hire an agent to prepare) the EMMA Notice. The EMMA Notice shall be prepared in the form required by the MSRB.

2. In the case of a disclosure required by an Undertaking, the Disclosure Officer shall determine whether any changes to the EMMA Notice are necessary to make the document compliant with the Undertaking.

3. If, in the Disclosure Officer's reasonable judgment, the EMMA Notice is correct and complete and, in the case of a disclosure required by an Undertaking, complies with the Undertaking, the Disclosure Officer shall file the EMMA Notice with EMMA (or confirm that such filing is completed by any agent hired by the District for such purpose) within the timeframe allowed for such filing.

(e) *Additional Responsibilities of the Disclosure Officer*. The Disclosure Officer, in addition to the specific responsibilities outlined above, shall have general oversight of the entire disclosure process, which shall include:

1. Maintaining appropriate records of compliance with this Disclosure Policy (including proofs of EMMA filings) and decisions made with respect to issues that have been raised;

2. Evaluating the effectiveness of the procedures contained in this Disclosure Policy; and

3. Making recommendations to the Board of Park Commissioners of the District as to whether revisions or modifications to this Disclosure Policy are appropriate.

(f) *General Principles*.

1. All participants in the disclosure process should be encouraged to raise potential disclosure items at all times in the process.

2. The process of revising and updating the Disclosures should not be viewed as a mechanical insertion of current numbers. While it is not anticipated that there will be major changes in the form and content of the Disclosures at the time of each update, the Disclosure Officer should consider whether such changes are necessary or desirable in order to make sure the Disclosure does not make any untrue statement of a material fact or omit to state a material fact necessary or desirable, in order to make the statements made, in light of the circumstances in which they were made, not misleading at the time of each update.

3. Whenever the District releases information, whether in written or spoken form, that may reasonably be expected to reach investors, it is said to be "speaking to the market." When speaking to the market, District officials must be sure that the released information does not make any untrue statement of a material fact or omit to state a material fact necessary or desirable, in order to make the statements made, in light of the circumstances in which they were made, not misleading.

4. While care should be taken not to shortcut or eliminate any steps outlined in this Disclosure Policy on an ad hoc basis, the review and maintenance of the Disclosures is a fluid process and recommendations for improvement of these Disclosure Procedures should be solicited and regularly considered.

5. The Disclosure Officer is authorized to request and pay for attendance at relevant conferences or presentations or annual training sessions conducted by outside counsel, consultants or experts in order to ensure a sufficient level of knowledge for the effective administration of this Disclosure Policy.

A. The Park District Disposal Policy establishes the guidelines to follow in disposing of all assets whose original acquisition cost was $5K or greater. The disposal of computers is to follow this policy, even though when their value is less than $5K.
B. Illinois statutes require that any property of the District must be declared excess by its governing board. This is formally accomplished by the passage of a property disposal ordinance. Such disposal ordinance must be approved by three-fifths (3/5) vote of the Board of Commissioners. [70ILCS 1205/8-22]. The statute does not establish any dollar limit for what must be declared surplus.
C. The property disposal ordinance will identify the asset(s) being disposed of, as well as the method of disposal. In disposing of equipment determined to be no longer needed by the district, the Executive Director may advertise for the disposal of surplus equipment and/or supplies.
D. Acceptable venues for selling these assets include the city's annual auction, the DuPage County Mayors' and Manager's auction and online services such as Obenauf Auction Service, Inc.
E. Unless previously approved by the Board of Commissioners, purchases involving the replacement of assets currently owned by the District, shall not include trade-in arrangements. Instead, it is the policy of the District to dispose of the old property by selling it at the most advantageous value, as either a usable asset or for scrap. The determination of which assets are to be disposed of and by what method will originate in the area using the asset. The recommendation of the department is to be reviewed by the department head and the Executive Director.

Employee expense advances may be provided for training or programs. In the interest of ensuring that there is strict accountability for these funds, there is a limit of $500 per advance. The advance must be requested and approved 30 days before the advance occurs, and proper documentation must be turned in within 60 days of the date of occurrence. If the employee did not spend the total amount of the advance, the remainder of the money must be returned with accompanying receipts. If the employee spent more money than the advance that was given, a reimbursement request must be made and turned in within 60 days along with proper documentation of all funds spent. Further, a second advance may not be issued prior the first advance being settled. Settlement consists of submitting receipts to Finance for the expenditure of the advance and a return of the unspent amount, or a completed purchase order requesting reimbursement for any funds spent in excess of the advance. These advances shall be recorded in an Employee Receivables account which will identify all outstanding advances by date and amount. Any exceptions to this policy must be approved by the Executive Director.

Consistent with IRS Publication 463, reimbursements must be submitted within 60 days of being incurred for such reimbursements to be considered made under an accountable plan and not subject to taxation. Any reimbursements submitted subsequent to 60 days will be paid through accounts payable and reported on their next paycheck and subject to taxation in compliance with IRS regulations.

A. *Purpose*

The purpose of this policy is to justify the means of determining fees and charges on a systematic basis by identifying program costs, classifying programs and the type of clientele served, and the relationship of these factors to one another.

B. *Procedures of Approval*

Each year the Recreation Department and Special Facilities will submit a budget report to the Executive Director for his/her approval. The report will include revenues and expenses for the programs for the budget year(s), the current year and prior year, as applicable.

C. *Identify and Define Cost*

1. **Direct costs** are costs, which are directly attributed to a particular program and would cease to exist if the program were not offered. Direct costs may include program leadership, program supplies and equipment, field maintenance and lining, contractual expenses, and specific promotional costs such as postage, posters and flyers.

2. **Indirect costs** are costs which are not directly attributed to any specific program. Indirect costs may include administrative and supervisory salaries, office support staff, registration resources, park services staff and supplies, finance and human resources staff and supplies, general utilities, postage, quarterly brochure costs, and promotional expenses such as flyer, film and paid advertising not for a specific program or event.

3. **Developmental costs** are costs which are directly attributed to a specific program over an extended period of one to three years. Developmental costs may include major equipment such as a balance beam, ballet mirrors and pool furniture.

D. *Fees and Charges*

1. General Policy

The Park Board reserves the right to annually review and approve, separate from the budget process, the rates for:

- Greens Fees at the Arrowhead Golf Club
- Pool Passes and Daily Admissions at the pools
- Parks Plus Fitness Membership Rates

The board delegates to the Executive Director the authority to establish other fees and charges using the guidelines below. The Board will approve the impact of such fees and charges in the Budget and Appropriation Ordinance.

In order to provide maximum benefit for each tax dollar paid to the Park District, it is the general policy of the Wheaton Park District that fees will be determined by the Executive Director in accordance with the following general policies:

a. Organized activities for residents of the District will attempt to be self-supporting.

b. Nonresident participants will be expected to pay higher fees sufficient to reimburse the District for all costs involved in providing Park District programs for their participation.

c. Fees for activities will be set so that, with the minimum number of participants expected, direct costs will be recovered, with a larger proportion of costs recovered as enrollment increases.

d. Fees may be waived for certain special events or services which are deemed to be in the best interest of our residents or for which the charging of a fee would be prohibitive.

e. Fees should be kept low enough that the majority of residents would not be precluded from participation because of inability to pay.

f. All residents of School District #200 may register at resident rates for those Park District programs conducted in or on school property.

g. Cooperative programs with public and private agencies may be offered for which nonresident fees may be waived.

h. Fees for use of Park District revenue-producing facilities such as the golf lessons, water park and/or pools programs, and the fitness center, will be established with the following in mind:

    1. Rates competitive with similar public and private facilities.

2. Maximize revenues without excluding the majority of residents due to an inability to pay.

3. Nonresidents are expected to pay 50 percent higher fees than residents. From time to time, the Board, at their discretion may direct this amount to be reduced.

4. Maximum service, maintenance and quality of product combined with minimum drain on operational budgets. Fees meeting the above criteria will be recommended by the Executive Director and must be approved by the Board.

2. Program Classification Guidelines for Setting Fees

a. Classification "A": Programs and services that are primarily considered a community service. Programs subsidized by the park district with no fee or a nominal fee which is less than the direct cost of providing the program. Some examples are: Cosley Zoo, special events, some senior programs.
New or experimental programs offered on a trial basis for a specific period of time (usually one fiscal year.) At the end of this time period, these programs are moved to another classification or eliminated from the program offerings.

b. Classification "B": Services that directly benefit only the individual participant. The user fee for these programs will be set to cover all direct program expenses plus a minimum of 30 percent of the direct expenses in order to cover indirect program costs. Minimum enrollments will be established for each program with a larger portion of the indirect costs being recovered as enrollment increases, this is true because some of the direct expenses are fixed in nature (they do not increase or decrease based on the number of participants). Programs which fall under Classification "B": which do not meet the guidelines set forth in Classification "B" will be evaluated by the department director on an individual basis, and may or may not be run, depending upon the unique circumstances involved. The vast majority of Wheaton Park District programs fall into this classification.

c. Classification "C": Services that directly benefit only the individual participant. These programs or services are

contracted by the Park District with an outside agency or individual to provide a service in a facility not owned or operated by the Park District in which the District will be charged on a per-person or percentage basis. The user fee for these programs will cover all direct program expenses with a minimum of 30% markup to cover indirect program costs.

3. **Nonresident Fees**
   All nonresidents will pay a user fee, which is a maximum of 50 percent higher than the resident rate, except that all residents of School District #200 may register at resident rates for those programs conducted in or on school property. This fee may be waived from time to time due to unique or unusual circumstances. The Park Board, at their discretion, may direct staff to make the nonresident fee the same as the resident fee or any amount up to 50% higher than the resident fee.
4. **Purchase of Residency Benefits by Nonresidents**
   Property owners or renters living in unincorporated areas or outside the corporate boundaries of School Districts 200 or 89 can acquire Wheaton Park District resident status by paying a fee. More information is available on our website: https://wheatonparkdistrict.com/transparency-portal/policies/#purchase-residency

Access to Wheaton Park District programs, services and facilities shall not be denied to any person because of lack of sufficient funds. The District has established financial assistance opportunities for those with demonstrable financial need.

The District realizes that it may at times be asked to consider accepting gifts and/or bequests. The acceptance of these gifts and/or bequests will be entertained with consideration of the following:

a) All local and state Ordinances regarding the Illinois Gift Ban Act,
b) All relevant District policy and personnel practices,
c) The overall benefit to the community,
d) The overall benefit to the District,
e) The potential associated costs, liabilities and exposure to the District,
f) Any potential reverter clauses attached to gifts to ensure perpetuity of open/space recreation use(s) and assurance the clause(s) can be complied with

All gifts valued over $100.00 and all gifts of real estate will be brought to the Board of Park Commissioners for approval or denial of acceptance.

A. Purpose

The purpose of the Wheaton Park District, Illinois Grant Policy is to describe the policies and procedures for developing grant proposals, receipt and management of externally funded grant awards, and responsibilities of external funding and compliance requirements.

B. Responsibilities

When Wheaton Park District applies for and receives a grant, it agrees to administer the funding according to the granting agency's terms and conditions. Accounting properly for grant expenditures and providing program documentation and evaluation is critical to the success of continuing grant award programs.

It is the responsibility of assigned department staff to appropriately and accurately manage the project and external funding per grantor agreements and guidelines and the policies and procedures of the Wheaton Park District.

C. Pre-Award

Departments considering applying for a grant shall prepare information for the Board's consideration, including the scope of grant, potential impact on operations, financial considerations, and the procedures utilized by the grantor agency.

It is the submitting department's responsibility to prepare and submit the grant application and the necessary Grant Accountability and Transparency ACT (GATA) data, including the Programmatic Risk Survey application.

Once the grant application is approved by the Board of Park Commissioners, the department head shall prepare any other documents needed for submittal of the grant proposal, committing any local match (if required), and authorizing either the Board President or the Executive Director to sign the proposal. Which party needs to sign depends upon the specific requirements of the grant(s).

It is the department's responsibility to ensure the proposal is submitted to the granting agency before the prescribed deadline.

D. Managing the Grant

The final grant agreement is signed by the Board President or Executive Director, depending on the particulars of the grant, and is held by the Wheaton Park District.

Each grant shall be tracked and monitored throughout the project life with a specific filing and tracking system. The grant agreement and grantor policies establish the requirements for charging costs to the award, reporting those costs, and requesting reimbursement.

All grant related costs invoiced must be eligible for the grant. Specifically, the cost must be reasonable, allowable, necessary and prudent to provide a direct benefit to a grant funded project.

Federal grant awards must comply with the rules and compliance requirements set forth in the Uniform Guidance (2 CFR Part 200) by the Office of Management and Budget. The Uniform Guidance establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state, local, and federally-recognized Indian tribal governments.

E. Direct Costs

Direct costs are costs that have been included in the proposal budget, and can be directly attributable to the expenses necessary to fulfill the project objectives.

F. Indirect Costs

Indirect costs, such as overhead costs or general and administrative costs, are those costs that generally are shared among projects, and therefore cannot be directly attributable to a single project.

G. Conflicts of Interest

All employees engaged in the selection, award, or administration of contracts supported by the grant award shall be free of any real or perceived conflict of interest.

H. Reporting

The purpose of grant reporting is to monitor the progress made towards fulfilling grant deliverables. The grant agreement or grantor's guidance manual will outline the required reports with time schedules by the grant for submittals.

I. Subrecipient Monitoring

The Wheaton Park District may pass grant funds to another entity. The second entity, known as the "subrecipient", may be another government entity or a non-profit organization. All grant requirements will flow down to the subrecipient. It is the Wheaton Park District's responsibility to ensure sub award is in compliance with grant provisions. The requirements of the subrecipient monitoring shall be followed in accordance with the rules and guidelines of the Uniform Guidance (2 CFR 200).

It is the responsibility of the Wheaton Park District to ensure that any subcontractor or sub awardee that will be funded through a grant award is not prohibited from receiving federal or state funds due to suspension or debarment. This is the responsibility of the department submitting the grant.

J. Grant Extension

It is the responsibility of the submitting department to track the progress of the grant project. Prior to the grant completion date, a written request for extension must be submitted to the grantor agency if the project will not reach the completion deadline date. Copies of any extension approvals shall be kept and documented by the Wheaton Park District.

K. Audits

Preparation for an audit should begin at the time the award is received. There are specific requirements that must be met when managing grants, defined within the grant agreement. Costs questioned during an audit can lead to the District having to pay back the amount of the questioned costs. In such an event, all disallowable costs must be funded by a non-grant, non-federal source.

A Single Audit is performed for entities that expend $750,000 or more in federal awards in a given fiscal year performed by an outside auditor. A Single Audit is performed in accordance with the rules and guidelines set forth in the OMB Uniform Guidance (2 CFR 200). The Schedule of Expenditures of Federal Awards (SEFA) is an essential document for conducting the audit. The SEFA should be prepared carefully to ensure its accuracy and completeness. This schedule should be prepared on the same basis of accounting as the financial statements.

1. Purpose
The District shall maintain an environment conducive to good internal control.

2. Definitions
Internal Control comprises the plan of organization and all of the coordinated methods and measures adopted within the District to safeguard its assets, check the accuracy and reliability of its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. (This is the broad definition, recognizing that a "system" of internal control extends beyond those matters which relate directly to the accounting and finance functions.)

This broad definition can be subdivided into two components; accounting and administrative, as follows:

a. Accounting controls comprise the plan of organization and all the methods and procedures that are concerned mainly with, and relate directly to, the safeguarding of assets and the reliability of the financial records.

b. Administrative controls comprise the plan of organization and all the methods and procedures that are concerned mainly with operational efficiency and adherence to managerial policies and usually relate only indirectly to the financial records.

This policy is concerned primarily with the "Accounting Controls" and when the terms "internal controls" or "controls" are used, it is meant as Accounting Controls.

3. Responsibilities
The Accounting Department is responsible for designing appropriate controls for the departments and the departments are responsible for implementation. Inherent in these responsibilities is the recognition that the cost of internal control should not exceed the benefits expected to be derived. Also, internal controls may become inadequate as conditions change, thus requiring review and modification.

4. Objectives
To provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles (GAAP).

5. Basic Elements of Internal Control

a. Personnel

Objectives are dependent on competence and integrity of personnel, independence of assigned functions, and their understanding of prescribed procedures.

b. Computer Data Processing

Control over development, modification, and maintenance of computer programs; control over use and changes to data maintained on computer files; application controls, for example, edits that verify vendor numbers for check writing.

c. Segregation of Duties

Procedures designed to detect errors and irregularities should be performed by persons other than those who are in a position to perpetrate them.

d. Execution of Transactions

There is reasonable assurance that transactions are executed as authorized.

e. Recording and Reporting of Transactions

To permit preparation of financial statements, transactions are recorded in the proper period, amounts, and classification. The District will prepare its external financial reports in conformance with applicable statutes and GAAP. An Annual Comprehensive Financial Report (ACFR) will be prepared annually.

f. Access to Assets

Both direct physical access and indirect access through preparation/processing of documents that authorize the use or disposition of assets be limited to authorized personnel.

g. Comparison of Recorded Accountability with Assets

Comparison of actual assets with the recorded accountability, such as bank reconciliations and physical inventories.

Accounting will utilize these basic elements of internal control in formulating departmental plans suitable to each department's needs. An annual review of the plans will be performed and modifications made as required (or as a result of internal or external audits).

A. *Scope of Investment Policy*

This investment policy applies to the investment activities of all funds of the Wheaton Park District (the "District" or the "Park District"). All financial assets shall be administered in accordance with the provisions of this policy.

B. *Responsibility for the Investment Program*

The establishment of investment policies is the responsibility of the Board. Management and administrative responsibility for the investment program is hereby delegated to the Executive Director and the Finance Director/Treasurer of the District. These two are the **investment officials** of the District. No person, unless authorized by the Executive Director and the Finance Director/Treasurer, shall make investment transactions on behalf of the Park District.

The Executive Director and the Finance Director/Treasurer shall be responsible for: 1) all investment transactions undertaken; 2) establishing a system of internal controls and written procedures consistent with this policy (see Section G.2) to regulate the activities in the portfolio; and 3) amending the internal controls and the written procedures from time to time as approved by the Executive Director in a manner not inconsistent with this policy or with State law.

C. *Objectives of Investment Policy*

The purpose of this policy is to establish investment guidelines for Park District officials who are responsible for the safekeeping of public funds. The Park District's funds must be invested in compliance with the requirements of the Public Funds Investment Act (30 ILCS 235/0.05 *et seq*.).

1. <u>Generally</u>

The District's investment portfolio shall be managed in a manner to avoid any transaction that might impair public confidence in the District. Investments shall be made with judgment and care, not for speculation but for investment, considering the probable safety of the principal first and the probable income to be derived second. Consistent with the Illinois Sustainable Investing Act (*30 ILCS 238/*), material, relevant and decision-useful sustainability factors will be regularly considered by the District,

within the bounds of financial and fiduciary prudence, in evaluating investment decisions.

2. Risk Management

Safety of principle is the foremost objective of the Investment Policy of the Park District. Each transaction shall first ensure that principal losses, whether through defaults or erosion of value via fluctuations in market prices, are avoided. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

The Park District will minimize credit risk, or the risk of loss due to the failure of the security issuer or backer, by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

b. Interest Rate Risk

The Park District will minimize the risk that the market value of securities in the portfolio will fall due to changes in the general interest rates by:

i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and

ii. Investing funds primarily in shorter-term securities, money-market mutual funds, or similar investment pools.

3. Liquidity

The District's investment portfolio shall remain sufficiently liquid to enable the District to meet present and anticipated cash flow requirements. This is accomplished by structuring the portfolio so that investment maturities meet the District's cash flow needs.

4. Return on Investment
The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

a. A security with declining credit may be sold early to minimize loss of principal.

b. A security swap that would improve the quality, yield, or target duration in the portfolio, may be executed, subject to restrictions applicable by law or contract.

c. Liquidity needs of the portfolio require that the security be sold; provided the Finance Director shall report to the Executive Director prior to and immediately following said sale.

D. Standard of Care

1. Prudent Person Standard
The standard of care to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officials shall at all times exercise due diligence and shall act in accordance with this Investment Policy and all applicable legal procedures. Investment officials shall promptly report any material change in an individual security credit risk or market price change. All sales of security shall be executed in accordance with the terms of this policy. The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment,

considering first the probable safety of their capital and second the probable income to be derived."

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that have the potential to conflict with the proper execution and management of the investment program, or that have the potential to impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Park District. All officers and employees involved in the investment process shall maintain strict compliance with the Park District's Ethics Ordinance (Ordinance No._2009-2).

E. Investment Selection

While striving to achieve the objectives of this investment policy and in accordance with Section 2 of the Public Funds Investment Act (30 ILCS 235/2), the Park District has approved the following for investment of public funds (for purposes of this policy, the term "public funds" shall mean current operating funds, special funds, interest and sinking funds and funds of any kind or character belonging to or in the custody of the Park District, provided that funds accruing from any sale of the Park District's bonds, notes, warrants or other securities may be further restricted):

1. Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest.

2. Bonds, notes debentures, or other similar obligations of the United States of America, its agencies, and it its instrumentalities. The term “agencies of the United States of America” includes: (i) the federal land banks, federal intermediate credit banks, Fannie Mae, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory thereto; (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress.

3. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing times deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.

4. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in 1 or 2 of this section of this policy.

5. Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the Park District or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.

6. Investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation. The Park District may invest any public funds in short term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by

the Federal Deposit Insurance Corporation. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of the District's Board of Park Commissioners (the "Board") , the public funds so invested will be required for expenditure by the Park District. The expressed judgment of the Board as to the time when any public funds will be required for expenditure or be redeemable is final and conclusive. The District may invest any public funds in dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law.

7. A Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act. The Park District may also invest any public funds in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds.

8. Purchase or invest in repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986, as now or hereafter amended or succeeded, subject to the provisions of said Act and the regulations issued thereunder. The government securities, unless registered or inscribed in the name of the Park District, shall be purchased through banks or trust companies authorized to do business in the State of Illinois.

All investments must be denominated in U.S. dollars.

F. Collateral

The Park District shall require that funds on deposit or placed in investments in excess of insured limits be secured by a form of collateral in accordance with applicable law. The District will accept any of the following assets as collateral:

1. U.S. Government Securities
2. Obligations of Federal Agencies
3. Obligations of the State of Illinois
4. General Obligation municipal bonds rated "A" or better issued by a governing body in the State of Illinois

The amount of collateral provided shall not be less than 110 percent of the fair market value of the net amount of District funds on deposit at each financial institution.

Pledged collateral shall be held by the Wheaton Park District, the Federal Reserve or kept in a safekeeping account by a third party and evidenced by a safekeeping agreement and receipt.

G. Safekeeping and Custody

1. Qualifying Financial Institutions
   a. Institution Security
      With respect to bank accounts maintained at financial institutions, it shall be the policy that the Park District will not maintain funds on deposit in any financial institution that is not a member of the F.D.I.C.

      All institutions in which the District makes investments must be designated as approved depositories by the District's Board of Park Commissioners.

   b. Location
      The Wheaton Park District will maintain operating and investment accounts in financial institutions within the Wheaton Park District whenever possible.

c. Statement of Condition
All depository institutions shall provide a current statement of condition in compliance with Section 6 of the Public Funds Investment Act.

d. SAS Report
The institution serving as the District's primary banking institution as well as any safekeeping institution(s) providing safekeeping services as explained in Section F above, shall annually provide a copy of their most recent report on internal controls – Service Organization Control Reports (formerly 70, or SAS70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011).

If, for any reason the information furnished is considered by the Finance Director/Treasurer to be insufficient, additional data may be requested. The refusal of any institution to provide such data upon request may serve as sufficient cause for the withdrawal of Park District funds.

2. Internal Controls
The investment officials are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Park District are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

a. Best efforts will be made to separate responsibilities of transaction authority from accounting and recordkeeping;

b. Custodial safekeeping;

c. Avoidance of physical-delivery securities;

d. Clear delegation of authority to subordinate staff members;

e. Purchase or sale of all certificates of deposit or treasuries must be authorized by any two of the following employees, Executive Director, Finance Director, Assistant Finance Director or Finance Manager;

f. Written confirmation of telephone transactions for investments and wire transfers;

g. Development of a wire transfer agreement with the lead bank or third party custodian.

Compliance should be assured through the Park District's annual independent audit.

3. Delivery vs. Payment
   All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third party custodian as evidenced by safekeeping receipts.

H. Investment Parameters

Maturity
The maximum maturity of individual securities will be 4 years from the settlement date. The maximum weighted average maturity of the portfolio will not exceed 2.5 years (can be less).

The District may hire an outside Investment Manager to manage all or some portion of the District's portfolio. Any investment manager retained by the District shall notify the District if any security held in the portfolio under the manager's direction is downgraded below the minimum rating set forth in this policy and shall advise the District as to a recommended course of action.

1. Diversification
   The Park District's investment objective is to make productive use of reserves while limiting credit and interest rate risk. Therefore, the following limitations are in force:

   a. No individual issuer shall account for more than 5% of the value of the portfolio (direct obligations of the US Treasury, FDIC insured obligations, and money market funds).

   b. At least quarterly, any outside investment managers must furnish a detailed list of holdings so that the District can be assured that the limitations established here have not been violated.

I. Reporting

1. <u>Methods</u>
   The Finance Director/Treasurer will prepare an investment schedule quarterly. This report should be provided to the Board. The report will indicate:

   a. Listing of individual securities held at the end of the reporting period by fund;

   b. Listing of investments by maturity date;

   c. Interest rate of each investment;

   d. Amortized book value of each investment.

2. Marking to Market
   The market value of the portfolio shall be calculated at least annually.

J. Selection of Investment Advisors, Money Managers and Financial Institutions

To the extent that the Park District requires advice concerning its investments, the Park District's Finance Director/Treasurer and Executive Director may, from time to time, recommend contracting with investment advisors or money managers. Any such investment advisor or money manager shall provide the Finance Director/Treasurer and Executive Director with audited financial statements, proof of state registration, certification of having read this Investment Policy, and references of previous clients. The Finance Director/Treasurer and Executive Director shall review the proposals of such individuals or firms, and shall make a recommendation to the Board concerning a contract.

No investment advisor, money manager or financial institution shall be retained except by contract approved by the Board.

K. Annual Review

The District's Finance Director/Treasurer and Executive Director shall review this policy on an annual basis, and make any recommendations for amendments to the Board. No amendment shall be effective unless approved by the Board.

I. PURPOSE

The purpose of this Long-Term Financial Planning Policy is to establish a framework for the proactive evaluation of the Wheaton Park District's ("District") financial condition over a multi-year horizon. Long-term financial planning supports informed decision-making, fiscal sustainability, and the responsible stewardship of public resources by identifying financial trends, risks, and opportunities beyond the annual budget cycle.

II. POLICY STATEMENT

It is the policy of the Wheaton Park District to maintain a structurally balanced and financially sustainable operation through the use of long-term financial planning. The District shall periodically prepare and review multi-year financial projections to assess its ability to maintain service levels, fund capital needs, manage debt, and respond to changing economic and operational conditions. Long-term financial planning is intended to inform policy decisions and strategic priorities and does not replace the Board's authority to adopt the annual budget or capital plans.

III. SCOPE AND TIME HORIZON

The District shall prepare a long-term financial plan covering a planning horizon of not less than three (3) years, and up to ten (10) years, or as determined appropriate by management and the Board.

The long-term financial plan shall be updated periodically and presented to the Board for review in conjunction with, or as a supplement to, the annual budget or capital planning process.

IV. COMPONENTS OF THE LONG-TERM FINANCIAL PLAN

The long-term financial plan shall include, at a minimum, consideration of the following elements:

1. **Revenue Trends and Assumptions**
   Evaluation of major revenue sources, including property taxes, fees and charges, replacement taxes, grants, and other revenues, based on historical performance and reasonable assumptions.

2. **Expenditure Trends**
   Analysis of operating cost drivers, including personnel costs, contractual obligations, utilities, maintenance, and inflationary impacts.

3. **Fund Balance and Reserves**
   Projected fund balance levels compared to Board-adopted targets, including the identification of potential structural imbalances and replenishment strategies.

4. **Capital Improvement and Asset Needs**
   Coordination with the District's Capital Improvement Plan and capital asset management practices to evaluate long-term infrastructure, facility, and equipment funding needs.

5. **Debt and Long-Term Obligations**
   Assessment of existing and planned debt, lease obligations, and other long-term commitments, including their impact on future financial capacity.

6. **Risk and Uncertainty**
   Identification of financial risks and uncertainties, such as economic conditions, legislative changes, or operational pressures that may affect long-term sustainability.

V. USE OF ONE-TIME RESOURCES

The District shall strive to align ongoing expenditures with recurring revenues. One-time revenues, fund balance, or non-recurring resources should generally be used for one-time purposes, capital investments, or strategic initiatives and not to support ongoing structural operating costs, unless explicitly approved by the Board.

VI. BOARD REVIEW AND ROLE

The Board of Park Commissioners shall review the long-term financial plan as part of its overall fiscal oversight responsibilities. The plan shall be used to:

- Inform of budgetary and policy decisions

- Evaluate the long-term impact of new programs, capital projects, or financial commitments

- Support transparency and communication regarding the District's financial outlook

The long-term financial plan is an advisory planning tool and does not constitute legal appropriation or spending authority.

VII. CONSISTENCY WITH OTHER POLICIES

This policy shall be implemented in a manner consistent with the District's other financial policies, including but not limited to the Budget Policy, Balanced Budget Policy, Fund Balance Policy, Debt Policy, Capital Asset Management Policy, and Revenue Diversification Policy.

VIII. REVIEWS AND UPDATES

This policy shall be reviewed periodically by management and the Board and updated as necessary to reflect changes in law, best practices, or the District's financial and operational environment.

1.0 PURPOSE (WHY)

The Payment Card Industry-Data Security Standards (PCI-DSS) is a proprietary information security standard mandated by the major credit card brands (Visa, MasterCard, American Express, Discover and JCB) and administered by the Payment Card Industry Standards Council. The standard is designed to protect cardholder data and reduce credit card fraud.

Organizations that process credit cards must comply with the standard. Those organizations must hire an independent Qualified Security Assessor (QSA) to validate compliance on an annual basis. Additionally, most merchants must complete an annual Self-Assessment Questionnaire (SAQ).

PCI-DSS has evolved and matured over time. As of March 2022, the PCI-DSS standard is version 4.0, which organizes the high-level requirements as follows:

Control objectives	PCI DSS requirements
Build and Maintain a Secure Network and Systems	1. Install and Maintain Network Security Controls.
	2. Apply Secure Configurations to All System Components.
Protect Account Data	3. Protect Stored Account Data.
	4. Protect Cardholder Data with Strong Cryptography During Transmission Over Open, Public Networks.
Maintain a Vulnerability Management Program	5. Protect All Systems and Networks from Malicious Software.
	6. Develop and Maintain Secure Systems and Software.
Implement Strong Access Control Measures	7. Restrict Access to System Components and Cardholder Data by Business Need to Know.
	8. Identify Users and Authenticate Access to System Components.
	9. Restrict Physical Access to Cardholder Data.
Regularly Monitor and Test Networks	10. Log and Monitor All Access to System Components and Cardholder Data.
	11. Test Security of Systems and Networks Regularly.
Maintain an information Security Policy	12. Support Information Security with Organizational Policies and Programs.

2.0 SCOPE (WHO/WHEN/WHERE)

2.1 Wheaton Park District employees – Follow the guidelines as stipulated in this policy at all times; participate in PCI-DSS and related curriculum training; treat consumers fairly and with dignity.

3.0 DEPARTMENTS RESPONSIBLE FOR IMPLEMENTATION (WHO)

3.1 Authorizing Officials – The Wheaton Park District Board of Park Commissioners' authorizes this policy and related procedures.

3.2 Policy Owner – Wheaton Park District Chief Information Officer (CIO) ensures that the information security program and information systems meet or exceed the minimum standards set by PCI-DSS. The CIO authorizes the procedures relating to this policy and ensures actions are taken when breaches to this policy are found.

3.3 Wheaton Park District Department Managers - Ensure Policy compliance through systematic, routine monitoring of payment processing activities. Implement and enforce Cardholder Data Handling Procedures that protect the credit card numbers used by customers to make payments for Park District services. Recommend training and other procedural enhancements to improve compliance.

3.4 Trainer- Draft and maintain training materials to ensure the Board-mandated messaging including PCI-DSS content in Security Awareness training is conveyed to Wheaton Park District's employees. Conduct refresher training of personnel as appropriate to ensure consistent knowledge throughout the organization including subcontractors and partners.

4.0 GENERAL (WHAT)

Wheaton Park District maintains PCI DSS accreditation through the ongoing compliance with regulatory requirements. Wheaton Park District will comply with the Payment Card Industry Data Security Standards as established by the PCI Security Standards Council and maintain IT and security controls that meet or exceed industry standards and provide the ample protection of cardholder data.

Upon request by a vendor or client, the SISO may provide the Attestation of PCI-DSS Compliance, along with the Executive Summary Report, which demonstrates a secure state of Wheaton Park District's systems environment.

The CIO will maintain a cardholder flow diagram to track the flow of cardholder data through the systems environment. This document will enable proper systems testing to ensure that protections are in place to encrypt and/or mask cardholder data within the environment.

As part of annual Security Awareness Training, Wheaton Park District's Management will train all employees on key elements of the PCI-DSS regulation, Wheaton Park District's PCI-DSS policy and supporting procedures.

Wheaton Park District will test the supporting procedures annually to ensure that the controls properly protect PCI information stored in Wheaton Park District's system(s).

This policy will be reviewed and updated, at a minimum, on a biannual basis, to reflect changes to Wheaton Park District's approach to compliance with the evolving PCI-DSS regulation.

5.0 SUPPORTING PROCEDURES

5.1 Wheaton Park District Cardholder Data Handling Procedure

5.2 Wheaton Park District PCI-DSS IT Procedures

6.0 RECORDS

6.1 System logs contain records of payments, but conceal full credit card numbers.

6.2 Attestation of Compliance and scan reports are stored in Wheaton Park District's document library (CMS).

7.0 DEFINITIONS

7.1 PCI-DSS – Payment Card Industry-Data Security Standard

The successful contractor shall furnish a Performance Bond in an amount equal to 110 percent or greater of the contract awarded and in payment of all obligations thereof. Bond form shall be AIA-311 or an equivalent acceptable to the Park District. Failure to supply required bonds within ten days after the bid acceptance, or within such extended period as the Park District may grant, shall constitute a default and the Park District may award the contract to the next responsible bidder or may elect to re-advertise for bids. A defaulting bidder may be deemed liable for the difference between the bid actually accepted and the amount for which the contract was subsequently awarded.

The purpose of this policy is to provide guidelines for the management and disbursement of petty cash funds within the Park District. Petty cash is designated for minor incidental expenses that cannot be managed through standard procurement procedures and to provide cash & coin banks for seasonal facilities and special events. The petty cash bank should not be used as a method to bypass the District's purchasing policy. This policy applies to all employees and departments within the Park District who are authorized to handle and disburse petty cash funds.

1. Petty cash funds must be authorized by the Park District's Finance Department. Each department requesting a petty cash fund must submit a formal request specifying the amount needed and the purpose of the fund. The requestor is required to complete a petty cash form available on the District's shared drive.

2. The petty cash fund will be based on the facility or event's anticipated needs.

3. To replenish petty cash funds, submit a detailed summary of expenditures along with receipts to the Finance Department, which will then issue a check to restore the fund to its authorized amount. Staff members will adhere to the established procedures outlined in the Purchasing Policy.

4. Facilities will designate a custodian to be responsible for safekeeping, disbursement and reconciliation of the petty cash bank.

5. Petty Cash will be reconciled monthly by the custodian. Any discrepancies must be investigated and resolved promptly. Monthly petty cash reconciliation logs must be submitted to the Finance Department.

6. Petty cash funds must be securely stored in the facility's safe when not in use.

7. Petty cash banks are for Park District purposes only and cannot be used for personal use or personal expenses.

8. The Finance Department will conduct periodic unannounced audits of all District petty cash banks to ensure compliance with this policy and detect any irregularities.

9. All employees must adhere to this petty cash disbursement policy. Non-compliance may result in disciplinary action and revocation of petty cash privileges.

10. Any suspected misuse or theft of petty cash funds must be reported immediately to the Finance Department for investigation.

Government exists only to provide services to its taxpaying residents of the type that they cannot provide for themselves individually or in their separate capacities. It would be impossible for most individuals to maintain a park with recreation facilities, a community center, a golf course, or a water park. It is, therefore, necessary for people within a community to develop a local government, or more specifically a park and recreation system, to provide these services.

Government officials are elected and charged with these responsibilities. Citizens expect to pay for these services at a nominal cost and expect a full accounting of the propriety of the assessments or tax levies which pay for these services.

If government is expected to provide services at a nominal cost, it therefore follows that a government is a not-for-profit operation. Citizens do not intend that government should generously profit from its operations.

The intent of the Wheaton Park District, however, is to provide the maximum benefit possible from the revenues available, including taxes, fees and charges, for the citizens who use our facilities and services. In order to establish a relationship between expenditures and revenues, and to establish control over expenditures and related tax levies, the Park District relies on budgets; budgets are orderly plans which define financial objectives. These are imperative to effective government. Realistic budgets are mandatory if there is to be a basis for establishing the propriety of appropriations and tax levies.

In addition to the above reasons, budgets provide the opportunity to engage in longer range forecasting and capital planning. These initiatives enable the District to anticipate revenue shortfalls prior to their occurrence and to prepare for them in advance. A long-term financial plan and budget allows for the Wheaton Park District to remain mindful of its long-term health. This gives us the best chance of a thriving community now and for future generations.

It also affords the opportunity to plan for the replacement of existing capital assets to ensure that the District has efficient assets available for operations and

that the District is able to anticipate the resources needed to maintain this level of preparedness.

Length of Budget

The District will develop budgets for three years. See the Capital Asset Management Policy for more information on the Capital Assets of the District and the length of planning for those assets.

While the operating budgets look out three years, the District actually projects property taxes for five years. Property taxes represent over 50% of the District's funding. Because they are such a significant source of funding for the District, the District forecasts for the additional two years to provide the additional opportunity to address issues that could be a potential threat to the financial health of the District.

The assumptions used in these forecasts will not assume any major changes in policy where such change is speculative. Any other assumptions behind the forecasts will be made clear. This includes the assumed growth rates in revenues and expenses. It will also include assumptions about forces that impact revenues and expenses, such as changes in population, property values, etc.

The goal of the District's planning is to develop a forecast that is balanced over the multiyear period.

A. The Park District Purchasing Policy establishes the guidelines under which all purchases are made. It is the intent of this policy that the Park District conducts business fairly and equitably while remaining fiscally responsible to its taxpayers. This policy is governed by the Park District Code, Sec 8-1c.

B. All purchases are to be made by authorized Park District personnel under the guidelines established in this policy and are required to follow Purchase Order Procedures or Purchase Card Procedures when procuring goods or services on behalf of the District.

C. All items purchased will be in the best interest of the Park District. The District will endeavor to purchase from local vendors and merchants when prices are equal (see also section D Qualified Local Businesses below for more on this).
    1. For budgeted purchases greater than $10,000, written price quotes must be obtained from at least three vendors or merchants.
    2. The purchasing decision should take advantage of the most competitive price without compromising the quality of the product or service.
    3. An electronic copy of all written price quotes must be attached to the electronic purchase order when the purchase order is prepared.
    4. Any assets being disposed of must follow the District's Disposal Policy.

D. Qualified Local Businesses
    1. To the extent not prohibited by state statute, it shall be the policy of the District to procure goods and services from qualified local businesses to the greatest extent possible. In order to be considered a qualified local business, a business must meet each of the following criteria:

        a. Business must be located within limits of the District.
        b. Employs year round staff located at the business within the District.
        c. Is current with all payments to the District.
        d. Has adequately qualified/trained staff to service the bid item.

    2. If the lowest responsible quote is not from a qualified local business and if a qualified local business has submitted a quote which is within the applicable percentage (as hereinafter set forth) of the lowest responsible quote for an item, the qualified local business shall be given written notice by the District to that effect and shall, within ten (10) days from the date of such notice, provide written confirmation to the District that it will match the price of the business that provided the lowest responsible quote. Should a qualified local business fail to provide such confirmation within the time allowed its quote shall be considered as originally submitted.

    3. When more than one qualified local business is within the applicable percentage of the lowest responsible quote, only the qualified local business submitting the lowest local quote shall be given the opportunity to match the lowest responsible quote. It shall, where the quote is an aggregate of separate price components, reduce the price of each subcomponent of its aggregate bid by the same percentage that was used to match the quote of the business with the lowest responsible quote.

4. The applicable percentage is set forth on the table below:

Amount of Quote	Preference Provision
Up to $10,000	5%
$10,001 or equal to but less than the legal bid limit	3%

5. The District may reject any and all quotes and award the purchase to someone other than the lowest responsible business or a qualified local business who matches the lowest responsible bid upon a two-thirds (2/3) vote of the District Park Board members then holding office.

E. Vendor Information Reporting

1. In accordance with the Property Tax Code (Public Act 102-0265 / 35 ILCS 200/18-50.2), and as a taxing district with an aggregate property tax levy of more than $5,000,000, the District will make a good faith effort to collect and electronically publish data from all vendors or subcontractors doing business with the District as to whether the vendor or subcontractor is a minority-owned, women-owned, or veteran-owned business or whether the vendor or subcontractor is a small business. Additionally, the vendor will be asked if their status is certified by the state of Illinois.

2. The District will post the collected information annually with the Treasurer's Report. This document is located on the District's website under the Transparency Portal.

F. "Green" Vendors and Products

1. Consistent with the District's Environmental Policy which recommends the purchase and use of environmentally safe and sensitive products, District employees shall give preferential treatment to such products.
2. District employees shall also give preference to vendors who have demonstrated a commitment to minimizing their carbon footprint and engaging in sustainable business practices.
3. Preference can be demonstrated by including requirements in the quote or bid specifications or in the form of preferential pricing. Said preferential pricing shall not exceed 1% of the lowest responsible quote or bid from another respondent who has not demonstrated their inclusion of environmentally safe and sensitive products. If a vendor has earned the right to use certain labels, employees can use that to evaluate that a product/service has been produced or provided in an environmentally safe and sensitive manner. The US Environmental Protection Agency has developed a number of ecolabels that can help purchasers identify green products and services. More information about these labels can be found at the link below where you can click on each of the labels shown in the snip below the link. (You have to go to the URL to click on the various labels, the snip below does not have hyperlinks.) https://www.epa.gov/greenerproducts/institutional-purchasers-greener-products-and-services

G. Purchase guidelines shall be followed and approved for all repairs, services, supplies, and capital items procured for Park District purposes. Exceptions include utilities, bonds, insurance premiums; certain contractual services (i.e. individuals possessing professional skills such as attorneys, architects and engineers), computer hardware and software, monthly service agreements which must obtain new quotes at least every two years, payroll and some payroll related expenditures, such as payroll taxes and utility services including telecommunications and interconnect equipment, software and services. Also, any purchases made using the state contracts or any purchasing consortium as permitted by applicable state statute.

H. Unless the Purchase Card is used for payment, applicable Purchase Order Procedures are*:*
    1. A purchase order shall be created in the purchase order module of the district's financial software. The information to be included will be as directed by the Finance Department and may change from time to time. This process and subsequent approval **must** be completed **prior** to any purchase.
    2. In the event that an item is substituted for the item on the purchase order and provided that said substitutions is determined to be acceptable by the District, the department making the purchase shall do a change order to the original purchase order in the purchase order module of the district's financial software.
    3. Purchase orders shall be created for specific items and purposes. No additional items will be authorized, nor will charges be authorized which will significantly increase the cost of the purchase. In the event a change is required, a change order will be made to the original purchase order in the purchase order module of the district's financial software and it will go through the same approval process as the original purchase order.

I. Purchase Card Procedures:
    1. To facilitate the purchasing process, authorized Park District personnel may be issued a corporate credit card upon the approval of the appropriate Department Head. Any purchases made under the Purchase Card Program are subject to the purchasing guidelines and approval authorization amounts set forth in this policy. Personal purchases, cash advances, and alcohol are not allowed to be charged to the District's expense.
    2. Individual transaction limits and overall card limits are determined by the appropriate Department Head. All purchases and subsequent approvals are subject to the same dollar thresholds established in Section I-Purchase Authorization Amounts, of this policy.

3. An employee's transaction limit and or credit limit may be temporarily extended to allow them to complete an approved budgeted purchase beyond their regular spending limits. These temporary extensions must be approved by the Department Head and potentially the Finance Director and Executive Director based upon the purchase authorization amounts outlined in Section H of this policy.
4. The District will employ an online management tool to coordinate the approval, processing, and coding of Purchase Card Transactions. All activity will be imported and posted to the District's financial software.

J. Purchase Authorization Amounts:
   1. Although any employee of the District may make budgeted purchases, the Department Head is responsible for ensuring that any employee in his/her department is appropriately trained and adequately supervised to ensure that no inappropriate purchases are made. The specific dollar limits of employees' purchasing authority are outlined below.
   2. For budgeted purchases less than $1,000, only the purchaser's approval is required.
   3. For budgeted purchases between $1,000 and less than $5,000, the purchaser and the Department Head's approval are required. In instances where the Department Head is unable to approve, their designee (see #5 below) or the Finance Director may also authorize the purchase.
   4. For budgeted purchases equal to $5,000.00 but less than $20,000, the Executive Director (as well as the purchaser, the Department Head and the Finance Director) must approve the purchase. For any purchases equal to $20,000 or greater, board approval, excluding contracts not adapted to award by competitive bidding which are exempt from this requirement, must be obtained prior to the purchase. In the event it is deemed appropriate for time convenience by the Executive Director, budgeted purchases equal to $20,000 or greater, but less than the legal bid limit may be paid for prior to obtaining board approval, with board approval obtained at the next board meeting. Bids must be taken for any purchases with a value equal to or greater than the legal bid limit amount established by Sec 8-1c of the Park District Code, this excludes contracts not adapted to award by competitive bidding which are exempt from this requirement, public notice provided and board approval obtained for staff recommended bid. These procedures are described in the Bidding Policy.
   5. From time to time, staff may be absent from their office during a time when a purchase order or purchase card transaction need approval. To facilitate the smooth operation of the District's business, any employee with approval authority as outlined above may designate another employee to have temporary signature authority in their absence. This authority is limited to the levels specified above and must be documented. The recommended method of documenting is to send an email from the employee who is designating the temporary signature authority to the Finance Department, it may also be sent to all users. This designation should indicate the beginning and ending dates of the designation of the temporary signature authority. Finance Department staff will retain a PDF copy of this email in a folder in the finance drive for the auditors review in the annual external audit. Once the audit is complete, that year's temporary signature authority files may be deleted.

6. A purchase for any item or service which has not been budgeted, no matter what the amount, requires the approval of the Department Head. It is the responsibility of the purchaser to know if an item is included in the budget.
7. Products purchased for resale in the District's gift shops do not require board approval.
8. Emergency purchases are sometimes required. If an emergency occurs and the Executive Director determines that an expenditure that is equal to $20,000 or greater, but less than the legal bid limit, is needed, this policy permits the Executive Director of the District to authorize such a purchase and directs that the Executive Director shall individually contact the Board of Commissioners to advise them of same. Executive Director shall make every reasonable effort to contact each commissioner within five business days. Further, such a purchase shall be presented for approval at the next scheduled meeting of the Board of Park Commissioners. The District may make emergency procurements without competitive sealed bidding or prior notice when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to District property in order to protect against further loss of or damage to District property, to prevent or minimize serious disruption in critical District services that affect health, safety, or collection of substantial District revenues, or to ensure the integrity of District records. (See ILCS 500/20-30).
9. Sole source purchases are sometimes required as the vendor is the only provider. For this to be permitted, the department must submit this request for sole source designation to the Finance Director for approval, prior to making the purchase.

K. Payment of Invoices:
1. On a monthly basis at the regular Board Meeting, the Checks Approval Document detailing all checks processed during the monthly period will be presented to the Board of Commissioners with a recommendation for acceptance.
2. For weekly checks, the invoices, authorized Purchase Orders and supporting documentation must be submitted to the Finance Department by noon on Wednesday for processing on the following Wednesday's check run.
3. Purchase Orders must have the appropriate authorization per the Purchase Authorization Amounts section of this Purchasing Policy in order for payment to be processed.
4. Payment will be made only from invoices or digital images of invoices not from statements.
5. Payments are processed using both the District's ERP software and a third-party payment processor. Manual checks will be issued at the discretion and approval of the Director of Finance. Check registers and invoice processing reports are generated.
6. The checks are signed electronically with the signatures of the Executive Director and the Finance Director.
7. Invoices will be paid in accordance with the Illinois Prompt Payment Act.

Purpose

The District will strive to diversify its revenue base to minimize any disruption in operations due to economic downturn or a loss of or a significant decline in any single revenue source. In the event that there are spendable resources available that are from restricted, limited or assigned sources(as defined in Statement #54 of the Governmental Accounting Standards Board), it is the intent of the District to spend first those resources from restricted sources, then limited sources and finally from assigned sources.

The District will avoid dependence on temporary revenues to fund mainstream District services. One-time revenues will generally be used only for one-time expenditures.

The District will establish and maintain pricing in any of its Enterprise operations (e.g. Arrowhead Golf Club) that is sufficient to ensure that the operations are self-supporting, including the costs of operations, asset maintenance, debt service and depreciation. Enterprise operations for the District are established with the express intent of providing an additional funding source for the District. They are intended to be profitable. Those profits, in turn, are to be used to finance the maintenance of the District's infrastructure and to help reduce the District's dependence on taxes. This policy does recognize that any new or significantly expanded operation may require a few years to become established and during this brief start up period (no more than 3 years), such operations may not be completely self-supporting.

The Board of Commissioners recognizes the need to:

- Protect the Park District from financial loss due to risk exposure, and
- Provide a safe working environment for both the district staff and the users of the district's facilities and programs.

The Executive Director shall be responsible for the design and implementation of a risk management plan with sufficient insurance coverage to prevent unbearable financial loss to the District, subject to approval of the Board. As a part of that risk management plan, the Park District will implement a comprehensive loss prevention program and a safety training program.

The risk management plan will be reviewed annually. Renewal date and changes in coverage or carriers will be made when needed or when financially desirable.

The first step in establishing tax rates in the Park District involves assessing the value of real property. The Township Assessor assesses, for taxing purposes, all real property located within the Park District Boundaries. In Wheaton the assessed value is approximately 33 percent of the real or market value of the property.

The assessed values are published by the Appeals Board of the Township in the late summer or early fall. A property owner then has two weeks to enter a protest to the assessed value of the property. The protest is reviewed by the Board of Appeals, and if it is justified, the Board of Appeals may grant a revision of the assessment value. In order to equalize the assessed value throughout the state and allow for judgment errors on the part of the assessors, the Illinois Department of Revenue issues an equalization factor for each township. The equalization factor is multiplied by the assessed valuation to calculate the Equalized Assessed Valuation (E.A.V.).

One of the most important actions taken by the Board of Park Commissioners is the adoption of the Tax Levy Ordinance. This ordinance indicates the amount to be levied for the various funds of the Park District. It indicates the amount of money required for the District's operations which must be received from tax funds. The tax levy ordinance must be adopted and filed with the County Clerk's office no later than the last Tuesday in December. (It should be noted that the tax levy does not have a relationship to the Budget and Appropriation Ordinance of the same fiscal year.)

The County Clerk then allocates the tax monies to all taxing bodies and establishes the tax rates. This tax rate is established by dividing the amount levied (or the total amount requested by the Park District) by the total Equalized Assessed Valuation. The Property Tax Limitation legislation of 1991 limits the total amount extended to either five percent or the Consumer Price Index over the past tax year, which ever is the smaller amount. Some funds have mandated legal tax rate limits per Illinois state statutes.

The tax bills are calculated by the County Clerk based on the individual property assessed valuation and total tax rate of all taxing bodies in which the property is located. Taxes are paid to the County Treasurer who forwards accumulated tax dollars to each taxing body via an electronic transfer.

After the first six months of any fiscal year, the Board of Commissioners may, by a two-thirds vote, transfer unexpected funds from any appropriation item to any other appropriation item.

A. Purpose

The purpose of this policy is to establish guidelines for employees and elected officials of the District to follow when incurring business travel expenses while on assignments such as attending educational programs, association conferences or conducting onsite visits of parks and facilities for fact finding purposes outside of the local area and for the use of District owned vehicles. For employees, the immediate supervisor and department head must approve all business travel in advance and include related expenses in the annual operating budget. For elected officials, the Board of Park Commissioners must approve attendance and budgeted travel expenses in advance on a case by case basis.

B. Expenditure Limit

Consistent with the requirements of the Local Government Expense Control Act, the District may establish an expenditure limit for travel expenses incurred. By establishing said limit, the board would not have to approve each employee's attendance prior to said attendance. Instead they would approve all such expenditures via the budget and appropriation ordinance. However, in the event that an employee desires to attend some event that would cost in total in excess of the limit established, that attendance would have to be approved by the board in one of their noticed public meetings PRIOR to attendance. This policy is establishing the District's limit as $3,000 per staff member per conference/event attended. The Act does not permit the reimbursement for any entertainment expense.

C. *Elected Official*

The Act **does not permit any elected official to attend without obtaining prior approval**, even if the expenses to be incurred are below the established limit. Any such expenses incurred by an elected official of the District must be approved before incurrence, by roll call vote at an open meeting of the governing board of the District. Any elected official incurring expenses under this policy is required to submit documentation of an estimate of said expenses prior to incurring them. Before travel, meals or lodging expenses may be approved under the Act the Documentation as specified in the "Documentation Required" section below must be submitted in writing to the governing board. In this instance, where the exact amount of the actual expenses to be incurred for some expenses, such as meals and travel may be unknown, such expenses may be estimated. Once the expenses have been incurred, the elected official must also complete the expense report form as noted in the "Documentation Required" section below.

It is expected that employees and elected officials attend educational sessions when attending conferences.

The District's objectives are to permit travel arrangements that:

- Conserve travel expenses
- Provide uniform treatment for employees
- Allow for Board oversight
- Adhere to the plan adopted in the budget
- Result in prompt approval and recording of District expenses

D. Personal Travel/Travel Companions

A family member or friend may accompany employees and elected officials on business travel, at their expense, when the presence of a companion will not interfere with successful completion of business objectives. Generally, employees and elected officials are also permitted to combine personal travel

with business travel, as long as time away from work is approved and vacation or personal time is used (employees only). Additional expenses arising from such non-business travel are the responsibility of the employee or the elected official.

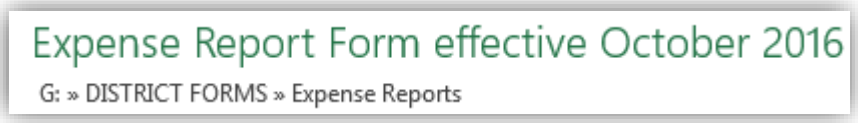
E. Covered Expenses

When approved, the actual costs of conference or convention registrations, participation in professional organizations, technical meetings and the travel, meals, lodging and other expenses directly related to accomplishing business travel objectives can be either:

- charged to the District's procurement card (if one has been issued to employee or elected official traveling) or
- reimbursed by the District

F. Documentation Required

Per the Local Governmental Expense Control Act: travel, meal and lodging expenses must, whether above or below the Expenditure Limit established above, be documented in an expense report. The form of this report can be found on the G drive under District Forms\Expense Reports.



These must be completed for each attendee. The report must indicate:

- An estimate of the cost of travel, meals or lodging if expenses have not been incurred or a receipt of the cost of the travel, meals or lodging if the expenses have already been incurred;
- The name of the individual who received or is requesting the travel, meal or lodging expense;
- the job title or office of the individual who received or is requesting the travel, meal, or lodging expense; and
- the date or dates and nature of the official business in which the travel, meals or lodging expense was or will be expended.

In either case, original receipts or equivalent evidence must be provided to support the expenses incurred. These receipts must be turned in within 60 days of the date the purchase was incurred. It is expected that staff and elected officials will be cost-conscious when spending District funds, and make all reasonable efforts to minimize their expenses related to travel, lodging, and meals. The District Limit will be set to the current CONUS rate for Chicago, Illinois. Current lodging and M&IE (meals & incidentals) rates can be found at www.gsa.gov/perdiem. These rates and limits are the US General Services Administration CONUS rates. The District has elected to use the rates for Chicago to establish the rates to be used by District employees. Any expenses incurred beyond the daily limit on a district procurement card will be reimbursed to the district by the staff member/official.

Further, it is expected that Supervisors and Department Heads will be looking over their staff's charges even when the individual charges do not exceed the employee's approval limit as the travel costs may be broken into multiple charges that individually do not exceed the employee's approval limit but in total for a given trip would exceed that limit.

The Executive Director, at his discretion may authorize exceeding the amount spent on a meal for the purposes of team building or strategic planning. The entire bill will be charged to Executive Director's procurement card. Any staff/official in attendance will record the current CONUS dinner rate of group meal expense on their daily log to count against their daily. If the Executive Director is not in attendance, prior approval may be granted to another staff member/official to accomplish similar district objectives.

G. Alcohol

Consistent with the District's personnel manual direction, no alcohol purchases will be paid for by the District. Receipts for dining establishments must be provided in sufficient detail to document that no alcoholic beverages are being paid for by the District.

H. Accidents

Employees or elected officials who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor or the executive director.

I. Vehicle Use

District vehicles are used for official business and may be kept overnight in certain instances only when authorized by the Executive Director. Any employee provided a vehicle by the district shall not be authorized to use their private vehicle and receive reimbursement for travel, except on approval of the Executive Director.

Effective January 1, 2017**,** it is the policy of the Wheaton Park District to provide its Executive Director with a monthly vehicle stipend in a manner that is non-contributory to his or her Pension Calculation. The amount of the vehicle stipend will be voted on by the Board of Commissioners and reviewed and updated periodically. No other district employee shall be granted a vehicle stipend without the approval of the Board of Commissioners.

No employee may operate a district vehicle without having in his/her possession a valid driver's license.

District vehicles shall not be used to transport unauthorized passengers such as hitchhikers.

All accidents involving district vehicles must be reported in writing to the administrative office within twenty-four (24) hours of the accident. The report shall include the names and addresses of available witnesses and principals. All accidents involving district vehicles are to be reported to the police immediately and at the site of the accident. A police report must be submitted to the administrative office as soon as available from the police department in order to submit claims to the insurance company.

J. Mileage Reimbursement

Mileage reimbursement is made for the use of personal motor vehicles for District business at the current rate allowed by the Internal Revenue Service. Employees and elected officials are required to track their mileage and submit the mileage logs to the Finance Department with the appropriate approval signatures in order to get reimbursement as outlined in the District's purchasing policy.

K. Issues/Abuse

Employees should contact their supervisor or the Finance Department for guidance and assistance on procedures related to travel arrangements, expense reports, reimbursement for specific expenses or any other business travel issues. Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

L. Exceptions

Where this policy does not cover a specific situation, the Executive Director retains the sole right to authorize exceptions to the policy related to employees only. Exceptions related to elected officials shall be referred by the Executive Director to the entire Board for resolution.

M. Timeliness

Consistent with IRS Publication 463, reimbursements must be submitted within 60 days of being incurred for such reimbursements to be considered made under an accountable plan and not subject to taxation. Any reimbursements submitted subsequent to 60 days will be paid through accounts payable and reported on their next paycheck and subject to taxation in compliance with IRS regulations.

A. Purpose

The purpose of the Wheaton Park District, Illinois Unclaimed Property Policy is to ensure vendors receive their payments, employees receive their pay and remittances to the state are minimized.

B. Statutory Requirements

The Wheaton Park District has established this Unclaimed Property Policy to ensure compliance with the Illinois Uniform Disposition of Unclaimed Property Act- 765 ILCS 1025/1-30- (the "Act"). The Act states that government agencies are required to send to the State of Illinois the cash from any check that is outstanding for greater than three years. These outstanding checks are presumed to be abandoned. This policy will attempt to mitigate the possibility of the District having to send cash to the State for any unclaimed property and clearly state how the District will remain in compliance with the Act.

Each year the State of Illinois sends an Annual Report of Unclaimed Property to the District for filing. The District will submit a completed form, including a check for the amount of the unclaimed property by the established annual deadline.

C. Guidelines

The District issues checks for various activities, services, products, and employee's salary or wages throughout the year. If a check is outstanding at the end of the month, it is included as a reconciling item during the bank reconciliation process. The District will also send out notifications annually according to current procedures in its best effort to deliver the check to the payee.

If a check remains outstanding for more than the current contracted bank policy (generally 180 days with most banking institutions), the check becomes void and can no longer be cashed by the payee. In order to avoid having to reissue any checks, the Finance Department has developed procedures to notify payees of an unclaimed check and procedures to reissue checks. The Unclaimed Property Act only requires letters to be sent to owners of the property, in this case the payee on the check, that is worth $50 or more. It is the intent of the District, as explained in this policy to focus on getting the funds to the owner so the District typically sends out letters for all outstanding checks. However, if the amount of the check is so small that it seems pointless to send the letter, such as when the cost of the postage to send the letter exceeds the amount of the check, staff may use their discretion in sending and instead the District would remit those amounts to the state when the three years have elapsed.

The Wheaton Park District requires directors, supervisors and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Wheaton Park District, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility
This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that the Wheaton Park District can address and correct inappropriate conduct and actions. It is the responsibility of all board members, directors, supervisors, employees and volunteers to report concerns about violations of the Wheaton Park District's code of ethics or suspected violations of law or regulations that govern the Wheaton Park District's operations.

No Retaliation
It is contrary to the values of the Wheaton Park District for anyone to retaliate against any board member, director, supervisor, employee or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of The Wheaton Park District. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

Reporting Procedure
The Wheaton Park District has an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with their supervisor. If you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with the Executive Director or any member of the board. Directors and supervisors are required to report complaints or concerns about suspected ethical and legal violations in writing to the Wheaton Park District's Executive Director, who has the responsibility to investigate all reported complaints. If the suspected violation potentially includes the Executive Director, the issue should be reported to the board President.

The Executive Director
The Wheaton Park District's Executive Director is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved. The Executive Director will notify the Board of Directors of all complaints and their resolution and will report at least annually to the Finance Subcommittee on compliance activity relating to accounting or alleged financial improprieties.

Accounting and Auditing Matters
The Wheaton Park District's Executive Director shall immediately notify the Finance Subcommittee of any concerns or complaint regarding District's finance policies, internal controls or auditing and work with the committee until the matter is resolved.

Acting in Good Faith
Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality
Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations
The Wheaton Park District's Executive Director will notify the person who submitted a complaint and acknowledge receipt of the reported violation or suspected violation. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.
Compliance Officer: Mike Benard