

# Mutual Aid Box Alarm System – Illinois Administration – Disbursement and Accounts Payables

Index #: A-04-02

Adopted: 2-18-2017

Revised:

Page 1 of 3

Subject: Disbursements and Accounts Payables  
Functional Area: Administration – Treasurer / Comptroller  
Category: Policy  
Approved By: MABAS Executive Board



## **Purpose:**

The purpose of this document is to formalize the Disbursements and Accounts Payables policy for MABAS-IL, outline the responsibilities of all parties involved, facilitate communication, and enhance supervision, monitoring, and evaluation of MABAS' expenditures.

## **Responsibility:**

This policy applies to the MABAS Treasurer/Comptroller, MABAS elected Board members and related MABAS staff.

## **Accountability:**

Enforcement of this specific policy rests initially with the MABAS Treasurer/Comptroller, followed by the MABAS President, 1<sup>st</sup> Vice President, 2<sup>nd</sup> Vice President and Secretary.

## **Reporting Requirement:**

The Treasurer/Comptroller will make regular reports to the MABAS Executive Board concerning the expenditures of MABAS.

## **Background**

The Mutual Aid Box Alarm System - Illinois (herein referred to as "MABAS") is a unit of intergovernmental cooperation created under the constitutional and statutory provisions of the State of Illinois, specifically 5 ILCS 220/1 *et. seq.* It is governed by an Executive Board comprised of representative of the various MABAS Divisions that comprise the MABAS mutual aid network in Illinois and surrounding states. Day to day operation of MABAS is under the direction of the Elected Board members (Board) that is composed of the President, 1<sup>st</sup> Vice President, 2<sup>nd</sup> Vice President, Treasurer/Comptroller and Secretary. MABAS employs staff and or contractors to execute daily administrative and financial functions of MABAS.

The Board and all fiduciaries to MABAS shall act and discharge their fiduciary duties with respect to MABAS' funds solely in the interest of MABAS. In discharging their duties they shall not: deal with the assets of MABAS in their own interest; act on behalf of any other party whose interests are adverse to the interests of MABAS; or receive any consideration for their own benefit from any party dealing with MABAS in connection with a transaction involving the assets of the MABAS.

## **Policy**

### **Section 1: Responsibilities of the Executive Policy Board and MABAS Staff**

- 1.01 Prompt and efficient processing and payment of personnel costs, accounts payables and other financial liabilities is necessary for the continued success of MABAS-IL.
- 1.02 Generally, accounts payables will be disbursed bi-weekly.

# Mutual Aid Box Alarm System – Illinois Administration – Disbursement and Accounts Payables

Index #: A-04-02

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Revised:

Page 2 of 3

- 1.03 Due to the use of grant proceeds to fund many projects, MABAS-IL will generally follow the Illinois Local Government Prompt Payment Act (50 ILCS 505/1 - 9) which provides that all approved invoices will be paid within sixty (60) days of receipt in the MABAS-IL offices or as soon as practical after the receipt of grant funds, assuming contract or purchasing requirements have been met.
- 1.04 Invoices received by MABAS-IL that are incorrect, or for any other reason will not be paid, must be promptly returned to the vendor within thirty (30) days of receipt with an explanation of the reason the invoice cannot be processed.

## **Section 2: Invoice Processing**

- 2.01 The following policy/procedure is for general invoice processing. It is recognized that certain circumstances will exist that require invoice processing on a shorter notice or timeframe. These circumstances should be the exception rather than the rule.
  - 2.01.1 Upon receipt of an invoice, MABAS staff shall insure that the products or services invoiced have been received and accepted.
  - 2.01.2 Upon acceptance, the invoice shall be processed for approval by the CEO or Administrative Section Chief.
  - 2.01.3 Once approved by step 2.01.2, and if the invoice involves grant funds that are due from the State of Illinois or Cook County, the invoice shall be promptly processed through IEMA, following their procedures.
    - 2.01.3.1 MABAS Staff must monitor disbursement transfers from the Illinois Comptrollers or Cook County and associate specific transfers with related invoices.
    - 2.01.3.2 When funds are transferred to MABAS, staff shall input the invoice associated with the fund transfer into the financial accounting system.
  - 2.01.4 Once approved by step 2.01.2, and if the invoice is due from funds on hand, staff shall input the invoice into the financial accounting system.
- 2.02 Each week when checks are to be released, and upon completion of invoice data entry, a listing of accounts payable shall be prepared and distributed to the Elected Board via e-mail.
  - 2.02.1 Upon review, members of the elected Board shall approve or reject any or all of the items listed on the accounts payable listing. This approval must be processed within 24 hours of receipt, by forwarding the approval, or rejection of a specific item, via e-mail to the Treasurer/Comptroller.
  - 2.02.2 If an item is rejected, it shall be returned by the Treasurer/Comptroller to MABAS staff for further review and/or explanation.
- 2.03 Upon approval of at least three (3) members of the Elected Board, the Treasurer/Comptroller shall prepare the checks for signature and release in accordance with provisions in policy A.04.01.
- 2.04 In the event a disbursement must be executed at a time other than during a routine cycle, the following steps must be taken:
  - 2.04.1 The CEO or Administrative Section Chief must approve the disbursement.
  - 2.04.2 A poll shall be conducted amongst the Elected Board, either by telephone, e-mail, or in person, to approve or reject the disbursement.
  - 2.04.3 Upon approval of at least three (3) members of the Elected Board, the Treasurer/Comptroller shall prepare the checks for signature and release in accordance with provisions in policy A.04.01.
- 2.05 Copies of all original invoices and documentation shall be maintained by Staff at the MABAS-IL office in accordance with the requirements of specific grants, state rules, and/or the Illinois Local Records Act (50 ILCS 205/1 - 15).

# Mutual Aid Box Alarm System – Illinois Administration – Disbursement and Accounts Payables

Index #: A-04-02

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Revised:

Page 3 of 3

## **Section 3: ACH Transfers**

- 3.01 Procedures can be implemented to provide for Automated Clearing House (ACH) transfers for routine and regular payments. This will generally be implemented for contract related disbursements and/or payroll.
- 3.02 ACH transfers must also be pre-approved by at least three members of the Elected Board.
- 3.03 It is the responsibility of the ACH recipient to provide the Administrative Section Chief or Treasurer/Comptroller with the correct routing and account numbers, and promptly provide any changes to routing or account numbers. MABAS-IL will not be responsible for transfers that are sent to an inactive or incorrect account based on incorrect information provided by the recipient.

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## **Conclusion**

Acceptance and compliance with this policy should insure appropriate management of accounts payable and other disbursements for MABAS-IL.