



TOIRMA Update

By Jim Donelan

TOIRMA Executive Director

Township Trustees are the Township Auditors

ON AUGUST 7, 1975, Governor Dan Walker signed into law Senate Bill 656 (Public Act 79-341). This amendment to the Township Code changed the name of the “township auditors” to “township trustees.” Also known as the “board of township auditors,” the public act changed this reference to “board of township trustees.” Interestingly, the 1976 edition of *The Township Officials of Illinois Guide and Duties of Township Officials*, which was published just prior to this change, went as far as saying “Auditing Board Not Trustees” in the corresponding section header. Whether it’s “auditor” or “trustee,” a primary responsibility of these elected officials remains the same, even to this day, “auditing the bills prior to payment.”

Since TOIRMA provides coverages relating to the fiscal matters of our members, we stress the importance of the statutory financial responsibilities of township officials. The effectiveness of these duties is a direct reflection of the proficiency of governmental units. Today, the fiscal activities of local governments are under the microscope more than in the past. The township supervisor serves as the treasurer of township and road districts funds. This means that he or she is responsible for paying the bills. However, according to the Township and Highway Codes, a bill/invoice cannot be paid until it is first reviewed or audited by the board of trustees and approved for payment. If the township board is doing their job, then there should be no claims in this area.

Not to be confused with the township or road district annual audit, the township board is charged with the

obligation of reviewing/auditing the proposed expenditures prior to payment. Since the supervisor has a vote on the township board, the trustees and the supervisor share this responsibility.

For example, a bill is presented for the township board’s consideration during its monthly meeting. The township board members should consider the following.

- Is this bill (proposed expenditure/order/warrant) being drawn from the proper fund within the adopted budget and appropriation ordinance?
- Are funds available to pay the expenditure from this account?

If the answer to either of these two questions is “no,” then the board should not approve the bill for payment. If the answer to both questions above is “yes,” then the board should approve the bill for payment and the supervisor should pay the bill with appropriate clerk’s attestation. Keep in-mind that trustees have the right to request detailed receipts relating to the proposed bill. In addition to the auditing or reviewing of proposed bills during each meeting, trustees should feel free to ask for reports indicating the balance of each fund and the updated budgetary authority by fund. We recommend obtaining these items in-writing, not verbally. Supervisors, providing this information increases financial transparency. Trustees, by having this information, you are armed with the needed material to perform your fiduciary duties.

Finally, certain expenditures may be paid prior to being audited. Specifically, this includes general assistance payments, obligations for social security taxes, and employee wages. In the spirit of openness, these items should still be reviewed by the board, even if after the fact.

Thank you for attention to these important financial matters.

If you have any further questions regarding the above topic, please feel free to contact me at (888) 562-7861, or by e-mail at jdonelan@toirma.org.



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