

The Role of Township Trustees

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Objectives

- To understand the proper role of township trustees
- To understand the duties and responsibilities of township trustees
- To understand the limitations of township trustees

Objectives

To understand the role, we need to understand:

The functions of township government;

The role of other township officials;

The duties trustees are given by law.

Functions of Township government

- Assessments of Property Values
- Road Services
- General Assistance
- Social Services
 - Youth, Senior, Health, Mental Health, Recycling, Transportation
- Other services
 - Cemetery, open space programs, libraries

Know your Township's powers

- Dillon's Rule: To exercise a power, there must be some law permitting you to do so.
- Know who exercises what powers
 - Individual officers
 - Township Board
 - Electors

Which Officials do what?

- Assessments of Property Values - Assessor
- Road Services – Highway Commissioner
- General Assistance - Supervisor
- Social Services – Township Board
 - Youth, Senior, Health, Mental Health, Recycling, Transportation
- Other services – It depends
 - Cemetery, open space programs, libraries

Supervisor

- Role
 - CEO of the Township
 - Member of and chairman of the township board
 - Supervisor of General Assistance
 - Member of the Board of Health
 - Road District Treasurer

Supervisor

- Powers and specific authority:
 - Hires general assistance employees
 - Appoints attorney (with advice and consent of board)
 - Financial Duties:
 - Receives and pays out monies raised in the township for defraying township charges, with some exceptions
 - Keeps account of receipts and expenditures of all monies that come into the Supervisor's possession
 - Prepares and files annual financial statement
 - Prepares and files annual treasurer's report

Supervisor

- Limitations of the Office
 - Can vote and make motions, but no veto
 - Can be outvoted
 - No independent authority to make policies or set rules (need board action), unless that power is delegated by the board.
 - No policy authority over road district or assessor's office

The Township Board of Trustees

- Township Board = supervisor and trustees
- Role: The board of township trustees implements and carries out orders prescribed for it by the electors assembled at a town meeting, either annual or special, as well as other specific functions set forth by statute.

The Township Board of Trustees

- Powers and specific authority:
 - examine and audit the township and road district accounts before any bills (other than general assistance, obligations for Social Security tax and wages subject to the Wage Payment and Collection Act) are paid out;
 - examine the accounts of the supervisor and to audit all charges and claims against the township;

The Township Board of Trustees

- adopt rules to govern its meetings;
- approve a budget;
- comply with the Governmental Account Audit Act;
- contract for the provision of a variety of services to township residents (e.g., public safety, environmental protection, public transportation, health, recreation, libraries, social services, etc.);

The Township Board of Trustees

- employ and fix the compensation of township employees that the board deems necessary, put conditions on employment including hours, leave time, form, nature and time for payment of compensation, residency requirements and provide insurance benefits;
- make contracts related to insurance and purchase of insurance; and
- fix charges for service provided to non-residents; and
- exercise the contracting powers granted to township boards given within Section 85-10.

The Township Board of Trustees

- Key Role:
 - Perform auditing and nominal oversight function
 - Contract for services
- Limitations of the Office:
 - Cannot exercise powers given to the electors
 - Individual members have no individual powers, except as noted above for supervisors

Township Clerk

- Role:
 - Clerk of the Township Board
 - Not a voting member, except to tie votes to fill vacancy
 - Can appoint a deputy if authorized by the board
 - Ex-officio clerk for the highway commissioner
 - Custodian of the township's records

The Electors

- Role: The township's electors are the corporate authorities of the township.
- Powers and specific authority:
 - They have the power to take all necessary measures and give direction to the township board for the exercise of the township's corporate powers.

The Electors

- Make all orders for the purchase, sale, conveyance, regulation or use of the township's corporate real property

The Electors

- Regulate trees, fences, livestock running at large, pounds, impounding and sale of animals
- Inoperable motor vehicles
- Authorize mental health services
- Authorize police protection & fire protection
- Authorize supervisor to file application to participate in IMRF
- Authorize advisory questions

The Electors

- Limitations of the Electors:
 - The cannot “veto” action of the township board that was within the township board’s powers.

Highway Commissioner

- Role: Township official + CEO of the Road District, which is a separate and distinct public body from the township.
- Powers and specific authority:
 - Sole jurisdiction over the roads and bridges of the Road District.

Highway Commissioner

- Responsible for the construction and maintenance of these roads and bridges to the extent funded by the township.
- Submit all warrants, bills and orders for final payments to township board of trustees within 30 days after the receipt of the bill.
- Purchase or lease of highway construction and maintenance equipment.

Highway Commissioner

- Establish personnel policies if five or more employees.
- Contract for liability insurance.
- Contract for public transportation with Township Board approval.
- Hire Road District attorney if permitted by the board or if there is a conflict

Highway Commissioner

- Limitations of the Office:
 - Township Board has to approve the budget and tax levy

Township Assessor

- Role: Township official, not a member of the township board
- Powers and specific authority:
 - Appraises property and places value on it according to formulas set by the Illinois Department of Revenue.
 - May appoint one or more employees to assist in assessing or other duties. (35 ILCS 200/2-65(a))

Township Assessor

- Limitations of the Office:
 - Submits a budget to township board...the board is likely required to provide an amount sufficient to perform the duties.
 - Township board sets an amount for travel and office expenses, including travel and transportation expenses for reimbursement of reasonable travel, meal, lodging and registration expenses for training by Department of Revenue.

Special considerations

- If you do not have an assessor or highway commissioner, the board may be performing additional contracting roles.

Job of a Trustee

- Holding the public trust.
- Represent the general public and to govern the programs and services affecting the quality of life of township residents.
- Fiscal responsibility to determine, allocate, and oversee the expenditure of public funds in the township.
- Goal: To provide superior services and benefits while minimizing costs.

Job of a Trustee

- (1) *decision makers* to determine the strategic direction of the township;
- (2) *fiduciary stewards* to ensure constituents' resources are being responsibly allocated and managed;
- (3) *ombudsmen* for friends and neighbors as they deal with all levels of government and its institutions;
- (4) *educators* who learn the issues affecting their township, respond to needs and inform residents about their decisions and the reasons behind them; and
- (5) *motivators* who consistently seek public involvement and participation in township government and the community.

Trustees Gone Wild

- Trustees should not micromanage other township officials
- Remember auditing function
- Do not use financial oversight function to torment other public officials
- If you want to run for Congress, run for Congress

Monthly duties

- Audit bills
- The *Local Government Prompt Payment Act* requires the Board of Trustees to approve or disapprove a bill from a vendor:
 - Within 30 days after the receipt of a bill, or
 - Within 30 days after the date when the goods or services were received, whichever is later.

Auditing bills

The following shall be considered appropriate instances for which township funds may be expended:

Compensation for township officials for services rendered their respective townships.

Necessary expenses for the use and benefit of the township.

Funds authorized to be raised by the vote of a township meeting for any township purpose.

Every sum directed by law to be raised for any township purpose.

How to audit a bill

Approve a bill only if you can **answer yes** to all of the following questions:

- *Is the bill a valid township expense? Expect and demand receipts or affidavits for proof of expenditure.*
- *Were the materials or services received? Don't be afraid to ask this question of any township official.*
- *If the bill is more than \$20,000, was the contract bid?*
- *Is the bill computed correctly by the vendor? Does the check match the billing amount?*
- *Is there a line item authorization in the budget enabling the bill to be paid?*
- *Is there sufficient balance left in the appropriate fund and in the budget line item to pay the bill?*
- *Is there money to pay the bill in the bank account?*

Best Practice

- The township supervisor should provide the board with two reports every month: a fund balances report that shows the money remaining in each township fund and a report comparing budgeted expenditures to actual expenditures year-to-date and on a monthly basis.

When can a bill be rejected?

A board may only refuse to pay an incurred expense by a township official if:

- Insufficient funds are available in the township's bank accounts.
- Insufficient funds remain in the appropriate line item. The expense has not been budgeted.
- The expense is for a contract that was not authorized.
- The expense is for an item, program, or purpose that is not a legally designated township expense.

Annual responsibilities: Budget

- The board must adopt a budget
- A budget is a document that serves as a map for the township because it allocates resources for future goals and projects
- A budget sets the limit on what a township can spend; it does not dictate what the township must or will spend.

Annual responsibilities: Levy

A levy is the amount of revenue a township expects to receive through the taxation of real estate.

Levies are expressed in terms of dollars and not as rates.

The purpose of the levy is to raise enough money from real estate taxes to fund the portion of the budget left unfunded by other revenue sources such as fees, interest or donations.

Levies are a means of obtaining, through taxation of real estate, the money to be spent as authorized in the budget

Interrelationship

Levies authorize collection of property taxes for the upcoming year.

Budgets provide authority to spend it.

However, just because money is in the budget does not mean the money can be spent without additional authorization.

Household budget example...

Annual Audit of Finances

- The township audit is an important fiscal management tool that examines the documents, records, reports, systems of internal control, accounting and financial procedures of the township.
- It provides the Board of Trustees with an opinion of whether the township's finances (taxpayer monies) are being handled in compliance with generally accepted accounting principles and statutory mandates.
- Whenever the audit suggests improvements, boards and staff should make every effort to enact them in order to strengthen fiscal control and regulation.

When are audits required?

- **Annually** - In townships that appropriate **\$850,000 or more** during the fiscal year, *exclusive of road funds*.
- All records and accounts shall be audited by a Certified Public Accountant (CPA).
- This audit must be completed *within six months after the close of the fiscal year*

When are audits required?

- **Annually** - In townships that appropriate **less than \$850,000** during the fiscal year, *exclusive of road funds*.
- The accounts and records of the township shall be audited and inspected by an independent auditing committee.
- The audit shall be completed *within 6 months after the close of each fiscal year*.

Trustees role with annual audit

Ensure that the supervisor makes arrangements for such audits in a timely manner when required.

Be involved in the process of selecting the individuals or firms to perform such audits.

Be on record as approving the individuals or firms that perform the required audits.

File a copy of the accountant's report and recommendations with the township clerk and another copy with the county clerk for public inspection.

Ensure the supervisor has filed the audit (if required) and the Annual Financial Report (AFR) with the Illinois Comptroller.

Other requirements

- Ethics statement must be filed annually
- Open Meetings Act training
- Keep up on new laws!

Questions?

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