



TOIRMA Update

By Jim Donelan

TOIRMA Executive Director

Township Board of Trustees – Checks and Balances

TOI EXECUTIVE DIRECTOR Bryan Smith and I were recently discussing the roles of Township Trustees. The conversation led into when and why the title of Township Trustees changed from Township Auditors. After researching the topic, I discovered that in 1975 the 79th Illinois General Assembly changed the title. Although the title changed from Auditors to Trustees the main function of the Trustees has not changed, auditing Township and Road District bills for payment. Township Trustees are the ongoing check and balance for township finances.

Of course, the Township Trustees and the Supervisor make up the voting members of the Township Board. The Supervisor is the chair of the Township Board and the treasurer for the Township and Road District. The Trustees serve as the check and balance or auditors on a meeting-by-meeting basis.

A key part of TOIRMA's risk management approach is to equip our members with the tools and knowledge that will result in reducing the effects of potential losses. At times these can be fiduciary in nature, and we need the ongoing attention of township trustees regarding financial matters.

As mentioned above and according to the Illinois Compiled Statutes, the Township Supervisor is the treasurer of all Township and Road District funds. His/her signature is required on all checks for them to be valid. The Township Clerk is responsible for attesting the supervisor's signature. It is the duty of the Township Board to:

1. Examine each order/warrant (bill) and ask questions,

2. Make sure the bill is being drawn from the proper fund and is consistent with the adopted budget and appropriation ordinance, and
3. Make sure there are funds available to pay the expenditure.

Whether it's for informational purposes or for verification, it is a financial best practice to understand each expenditure prior to granting approval. Likewise, it is critical that Township Boards verify that the budget and appropriation ordinance has an applicable line item relating to the expenditure with sufficient spending authority to cover it, and that funds are actually in the bank account. If these items are met, then the board should approve the expenditure. If these items are not met, the board should not approve the proposed expenditure.

Also, the Township Trustees should feel free to ask for an accounting of all monies for the Township and Road District. This is particularly important in tracking revenues and expenditures. Recently, some Townships and Road Districts are receiving non-traditional revenues from sources such as wind farms, pipelines, or the State of Illinois for infrastructure. Trustees should ask the Supervisor for an accounting of such funds periodically.

We appreciate your attention to these matters, and wish you a successful new term of office.

As always, if you have any additional questions, please feel free to contact me toll-free at (888) 562-7861, or by email at jdonelan@toirma.org.

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