

**CHAPTER 54**  
**“FINANCIAL ADMINISTRATION”**

**LATEST REVISION:** January 9, 2023 (Ordinance 2023-005)

**SECTIONS:**

- 54.01 FINANCE DEPARTMENT.**
- 54.02 FINANCE DIRECTOR.**
- 54.03 DUTIES OF THE FINANCE DIRECTOR.**
- 54.04 BUDGET OFFICER.**
- 54.05 MUNICIPAL AND FISCAL YEAR.**
- 54.06 ANNUAL BUDGET.**
- 54.07 FINANCIAL PLAN.**
- 54.08 INTENTIONALLY OMITTED.**
- 54.09 DEPOSIT OF CITY FUNDS.**
- 54.10 INTENTIONALLY OMITTED.**
- 54.11 PROPERTY TAX LEVY ORDINANCE.**
- 54.12 ANNUAL AUDIT.**
- 54.13 INTENTIONALLY OMITTED.**
- 54.14 INTENTIONALLY OMITTED.**
- 54.15 DISPOSITION OF PERSONAL PROPERTY.**
- 54.16 FINANCE ADVISORY COMMITTEE.**

**54.01 FINANCE DEPARTMENT**

There is hereby established a Finance Department of the City of DeKalb which shall consist of the Finance Director and other positions as may be authorized by the City Council. The Finance Department shall be organized and supervised as determined by the City Manager.

**54.02 FINANCE DIRECTOR**

- a) There is hereby created the position of Finance Director who shall be appointed and removed at the discretion of the City Manager. The Finance Director shall have responsibility and supervision over all employees assigned to the Finance Department subject to the overall authority of the City Manager. The Finance Director may designate others within this department to exercise powers and perform functions in this Chapter.
- b) In the event of a vacancy in the position of Finance Director, whether by virtue of the resignation, illness or other unavailability of the Finance Director, the City Manager may appoint one or more persons to serve as Acting Finance Director or may otherwise delegate the authority of the Finance Director as he/she sees fit.
- c) The Finance Director, serving as Treasurer, shall have a bond in an amount sufficient to satisfy the requirements applicable under 65 ILCS 5/5-3-9.
- d) The Finance Director shall not have an interest directly or indirectly in any contract, work or business for or with the City, or in the sale of any article to the City, or in the purchase of any property belonging to the City.
- e) The Finance Director shall keep all monies belonging to the City separate and distinct from the Director's own monies, and is prohibited from using, either directly or indirectly, the City money in the Director's custody, or any interest collected thereon, for his/her own use and

**CHAPTER 54**  
**“FINANCIAL ADMINISTRATION”**

benefit or for that of any other person and shall ensure that these same prohibitions and requirements apply to all other employees of the Finance Department.

**54.03 DUTIES OF THE FINANCE DIRECTOR**

The Finance Director shall devote the Director's entire time to the duties of the City at all reasonable hours and in particular shall:

- a) Exercise and perform all the financial powers and duties of the City Treasurer, Collector or Comptroller pursuant to ordinance or the Illinois Compiled Statutes.
- b) Exercise and perform all financial powers and duties now or hereafter granted or assigned by ordinance, Illinois Compiled Statutes or by the City Manager.
- c) Maintain custody of monies belonging to the City of DeKalb and ensure that all funds of the City are properly deposited or invested in accordance with deposit and investment policies set forth in the City's then-current Financial Policies.
- d) Maintain the City of DeKalb's financial records in accordance with City ordinances, state or federal regulations, generally accepted municipal financial management and accounting principles and practices and as otherwise directed or authorized by the City Manager.
- e) Pay all warrants, bills or orders properly presented to the Finance Department in a reasonable and timely manner with checks drawn upon the proper funds signed by the Mayor and countersigned by the Finance Director.
- f) Ensure the proper, efficient, and effective receipt and disbursement of all City funds, maintain proper, efficient, and effective systems for accounts receivable, accounts payable, payroll, financial reporting, internal financial, administrative and accounting controls, and financial records, and otherwise maintain the City of DeKalb's financial systems and perform such activities as necessary and as required by state or federal law or regulation, ordinance or as directed by the City Manager.
- g) Make such recommendations to the City Council and City Manager as the Director shall deem appropriate to ensure compliance with applicable laws or regulations, City policies or ordinances or best financial or management practices.
- h) Exercise control and management, and direct, supervise, and coordinate all activities of all personnel, contractors and other persons within the Finance Department or otherwise under his/her direction, subject to the authority of the City Manager.
- i) Perform such other duties and prepare such other reports or recommendations as may be directed by the City Manager.
- j) Keep the City Council, City Manager and City Attorney apprised at all times of any actual or potential financial irregularity.
- k) Serve as signatory and account representative for the City on financial, investment, retirement fund or other similar accounts maintained or established by the City, as may be directed by the City Manager.
- l) Comply with the applicable terms of the then-current Financial Policies and Purchasing Manual adopted by the City Council. The Financial Policies and Purchasing Manual shall

**CHAPTER 54**  
**“FINANCIAL ADMINISTRATION”**

initially be adopted by the City Council by Resolution and may subsequently be amended by Resolution of the City Council.

**54.04 BUDGET OFFICER**

The Finance Director is hereby designated to serve as Budget Officer and is authorized to empower or delegate to other city officials all or part of the authority and responsibilities of Budget Officer. The Budget Officer or designee shall have the power and duties as set forth in the Illinois Compiled Statutes as may be amended, including the following powers and duties:

- a) Permit, encourage and establish the use of efficient planning, budgeting, auditing, reporting, accounting, and other fiscal management procedures in all City departments, boards, commissions and funds;
- b) Compile an annual budget in accordance with Section 54.06 of this chapter;
- c) Examine all books and records of all city departments, boards, commissions or funds which relate to monies received by the City and paid out by the City, debts and accounts receivable, and amounts owed by or to the City.

**54.05 MUNICIPAL AND FISCAL YEAR**

The municipal and fiscal year of the City of DeKalb shall commence the first day of January of each year and end on the last day of the next succeeding December. This section shall not affect the beginning or ending terms of any licenses or permits issued by the City of DeKalb unless expressly so provided in chapters dealing therewith.

**54.06 ANNUAL BUDGET**

The City's annual budget for each fiscal year beginning upon each January 1 shall be compiled and acted upon pursuant to the requirements and procedures as set forth in the Illinois Compiled Statutes, Chapter 65, Paragraphs 5/8-2-9.1 through 5/8-2-9.10, which are hereby adopted. These statutory provisions, and the use of the authority granted therein, are generally set forth as follows:

- a) The Budget Officer shall compile an annual budget containing estimates of revenues available to the City for the fiscal year for which the budget is drafted, together with recommended expenditures for the City and its departments, boards, commissions and funds. Revenue estimates and expenditure recommendations shall be presented in a manner which is in conformity with good fiscal management practices. The budget shall contain actual or estimated revenues and expenditures for the two years immediately preceding the fiscal year for which the budget is prepared. The budget shall show the specific fund from which each anticipated expenditure shall be made.
- b) Passage of the annual budget by the City Council shall be in lieu of passage of an appropriations ordinance. The annual budget need not be published except in a manner provided for in paragraph (f) below. The annual budget shall be adopted by the City Council before the beginning of the fiscal year to which it applies.
- c) In the preparation by the budget officer of the annual budget, an amount as established by the City Council from time to time may be accumulated in a separate fund for the purpose or purposes of specific capital improvements, repairs, and/or replacement of specific types of municipal equipment or other tangible property, both real and personal, to be designated as the "Capital Projects Fund". Expenditure from this fund shall be budgeted in the fiscal year in

**CHAPTER 54**  
**“FINANCIAL ADMINISTRATION”**

which the capital improvement, repair or replacement will occur.

- d) The City Budget is organized in the following structure: Budget, Fund, Department, Expense Category and then Line Item. Subject to the limitations of (d)(1) and (2) below, the City Council authorizes the City Manager and the Manager’s designees to modify the budget: 1) by deleting, adding to, changing or creating new line items to the approved budget; or, 2) to transfer monies within a given Fund, Department or Expense Category.
1. No modification to the City Budget shall occur without the approval of the City Council if the net result would be to cause a fund to be over-budget.
  2. Any modification that is proposed for a capital expenditure in excess of the City Manager’s spending authority shall require the approval of the City Council. The City may revise the approved annual budget for the purposes set forth in (d)(1) or (d)(2) above, or for any other reason, by a vote of two-thirds of the members of the corporate authorities then holding office. No revision of the budget shall be made increasing the total budget in the event funds are not available to effectuate the purpose of the revision.
- e) The City Council shall make the tentative annual budget conveniently available to public inspection for at least ten days prior to the passage of the annual budget, by publication in the journal of the proceedings of the City Council or in other such form as the City Council may prescribe. Not less than one week after the publication of the tentative annual budget, and prior to final action on the budget, the City Council shall hold at least one public hearing on the tentative annual budget, after which hearing or hearings the tentative budget may be further revised and passed without further inspection, notice or hearing. Notice of this hearing shall be given by publication in a newspaper having a general circulation in the municipality at least one week prior to the time of the hearing.

**54.07 CAPITAL PLAN**

The City shall endeavor to create and periodically update a five-year capital plan, projecting the City’s capital needs and the estimated funds or resources necessary to provide for the orderly operation of the City’s infrastructure and operations.

**54.08 INTENTIONALLY OMITTED**

**54.09 DEPOSIT OF CITY FUNDS**

The Finance Director shall retain at least one financial institution in the City of DeKalb corporate limits to act as a qualified depository of public funds in compliance with State statute. The institution must maintain its main office or a branch office within the City of DeKalb corporate limits. If the headquarters of the institution is not located within the City limits, the branch office must be able to offer the full range of banking services required by the City. Nothing herein shall be construed as requiring the deposit of all City funds in a bank or financial institution located within the City. The Finance Director shall establish written procedures for reviewing the effective deposit of City funds in regards to safety, convenience, services, costs, and other pertinent factors. (2014-025)

**54.10 INTENTIONALLY OMITTED**

**54.11 PROPERTY TAX LEVY ORDINANCE**

The City Council shall annually, on or before the second Tuesday in December in each year,

**CHAPTER 54**  
**“FINANCIAL ADMINISTRATION”**

adopt an ordinance levying property taxes for that year in compliance with all applicable State laws and regulations. A certified copy of such ordinance shall be filed with the County Clerk of DeKalb County on or before the last Tuesday in December in each year and said taxes shall be collected in the manner provided for by the laws of the State of Illinois.

**54.12 ANNUAL AUDIT**

At the close of each fiscal year, an independent audit of all City of DeKalb accounts shall be conducted independently of the City Manager and Finance Director. Such audit shall be made by Certified Public Accountants, selected by the City Council, licensed by the State of Illinois, and fully experienced in municipal accounting. Said audit shall be completed in all respects and submitted to the City Council by June 30 of each year unless an extension to that date is approved by the City Council. Copies of said audit shall be made available for public inspection and filed with the County Clerk. Any audit findings shall be reported by the auditor to the City Council, and the City Manager and Finance Director shall be responsible for any and all corrective actions and the reporting of same to the City Council.

**54.13 INTENTIONALLY OMITTED**

**54.14 INTENTIONALLY OMITTED**

**54.15 DISPOSITION OF PERSONAL PROPERTY**

The City Manager shall be responsible for authorizing the disposition of equipment, materials, supplies and such other personal property of the City, of a value of \$20,000.00 or less. The City Council shall be responsible for authorizing or delegating the authority to authorize the disposition of equipment, materials, supplies and such other personal property of the City, of a value of \$20,000.01 or more. The disposition of personal property may be by sale, transfer, trade-in, exchange or salvage. The City Manager, department head or such other staff member as may be familiar with the personal property shall first make a determination that the personal property is no longer necessary, appropriate, required for the best use of, profitable to, or in the best interests of the City. Competitive bidding is not required for the disposition of personal property.

**54.16 FINANCE ADVISORY COMMITTEE**

- a) Creation. There is hereby created a Finance Advisory Committee whose purpose it shall be to assist the City Council and City staff in analyzing the City’s financial policies, long term financial stability, options for greater efficiencies and possible revenue and expenditure modifications.
- b) Membership. The Finance Advisory Committee shall consist of seven (7) members appointed by the Mayor, on the basis of their particular fitness for their duty on said Finance Advisory Committee, and subject to the approval of the City Council. Members of the Finance Advisory Committee shall reside within the City. The chairman shall be appointed by the Mayor with the advice and consent of the City Council for a term of two (2) years.
- c) Terms of Office. All terms of office shall be four (4) years with terms expiring December 31 each year.

Training: Each member shall be required to complete the Open Meetings Act (OMA) electronic training no later than the 90<sup>th</sup> day after their appointment (including any reappointment).

Compensation: Each member shall serve without compensation.

**CHAPTER 54**  
**“FINANCIAL ADMINISTRATION”**

Removal: The Mayor, with a three-fourths (3/4) majority vote of the City Council members then holding office, may remove a member at any Regular City Council meeting.

Meetings: The Finance Advisory Committee shall meet as needed. Persons wishing to make public comment during a meeting shall be limited to three (3) minutes.

- d) **Role and Duties.** The Finance Advisory Committee shall be advisory to the Council. As such, the Finance Advisory Committee’s role is to provide well-reasoned, financially sound recommendations to the Council. Meetings and reporting shall be on a project-by-project basis or as otherwise assigned by the City Council. The Finance Advisory Committee shall work in cooperation with the City Council and the City Manager to analyze the City’s financial policies, long term financial stability, options for greater efficiencies and possible revenue and expenditure modifications.
  
- e) **Staffing and Support.** The City Manager shall provide sufficient staff support to the Committee. Support shall include professional and clerical assistance as needed to sustain the Finance Committee activities required.