

Title 2 FINANCE AND TAXATION

Chapter 1 GENERAL FINANCE PROVISIONS

2-1-1: FISCAL YEAR:

The fiscal year of the village shall begin on May 1 of each year and end on April 30 of the following year. (1997 Code § 2-2)

2-1-2: BILLS AND WARRANTS; TRANSFER OF FUNDS; SIGNATURES ON CHECKS:

A. Bills And Warrants; Transfer Of Funds:

1. The mayor, or his or her designee, shall prepare and present a monthly bill and warrant list for review and consideration by the board of trustees. No vendor of the village shall be paid with any village funds without any such financial liability being presented to the board of trustees on a warrant list. Any member of the board of trustees, in his or her sole and absolute discretion, may ask that an item be removed from the warrant list for further elaboration by the mayor and discussion. No item on a warrant list shall be paid without the approval of a majority of the board of trustees. (Ord. 03-13, 9-8-2003)
2. All warrants drawn on the treasury must be signed by all trustees present at the time of approval. Each warrant must state the particular fund or appropriation to which the same is chargeable, and the person to whom payable, and no money shall be otherwise paid except as may be provided by statute. Money shall not be transferred by the treasurer from one fund to another after it has been received by him/her, nor appropriated to any other purpose than that for which it has been collected or paid, except as may be ordered by the president and board of trustees in the manner and form prescribed by statute. (1997 Code § 2-101.6; amd. 2013 Code)

- B. Signatures On Checks:** No check drawn on any account of the village shall be valid and binding without at least the signatures of two (2) authorized village officials. No other village employee or department head shall have the authority to sign any check that draws on any account of the village. (Ord. 03-13, 9-8-2003; amd. 2013 Code)

2-1-3: SPECIAL ASSESSMENT FUNDS:

All monies received on any special assessment shall be held by the village treasurer as a special fund to be applied only to the payment of the improvement, or bonds and vouchers issued therefor, together with interest thereon, for which the assessment was made, and said monies shall be used for no other purpose unless to reimburse the village for money expended for such improvement. Payments on bonds or vouchers shall be made in accordance with statutes and the law, and the village treasurer shall keep his/her books and accounts in such a manner so that proper prorations in payments of principal and interest can be made and ascertained. (1997 Code § 2-101.5)

2-1-4: PETTY CASH FUND:

- A. There is hereby created a petty cash fund (hereinafter referred to as "petty cash"). Petty cash is to be formed with an original balance of one hundred dollars (\$100.00) and is to be funded from the general fund.
- B. The village clerk is to maintain petty cash in the village hall and shall immediately record all transactions, transfers, or adjustments related to petty cash. Petty cash shall, at all times, be kept in a locked, secure location.
- C. The village board shall periodically examine the balance of petty cash and, when necessary, vote to fund or disperse petty cash so as to return the balance to one hundred dollars (\$100.00).
- D. Petty cash shall be used for small transactions including, but not limited to, purchase of stamps, refunds of change for overpayments to the village, and other administrative office uses that are required for the efficient day to day operations of the village.
- E. Petty cash shall be used for village business only. No person or entity is permitted to use petty cash for personal use. (Ord. 04-01, 1-12-2004)

Chapter 2 VILLAGE TAXES

ARTICLE A. MUNICIPAL RETAILERS' OCCUPATION TAX

2-2A-1: TAX IMPOSED; RATE:

A tax is hereby imposed upon all persons engaged in the business of selling tangible personal property at retail in the village at the rate of one percent (1%) of the gross receipts from such sales made in the course of such business while this article is in effect, in accordance with the provisions of section 8-11-1 of the Illinois municipal code. (Ord. 03-02, 2-10-2003)

2-2A-2: REPORT REQUIRED:

Every such person engaged in such business in the village shall file on or before the last day of each calendar month, the report to the state department of revenue required by section three of "an act in relation to a tax upon persons engaged in the business of selling tangible personal property to purchasers for use or consumption", approved June 28, 1933, as amended. (Ord. 03-02, 2-10-2003)

2-2A-3: PAYMENT OF TAX:

At the time such report is filed, there shall be paid to the state department of revenue the amount of tax hereby imposed on account of the receipts from sales of tangible personal property during the preceding month. (Ord. 03-02, 2-10-2003)

ARTICLE B. MUNICIPAL ELECTRIC UTILITY TAX

2-2B-1: DEFINITIONS:

For purposes of the municipal tax imposed by this article, the following terms shall be defined as follows:

PERSON: Any natural individual, firm, trust, estate, partnership, association, joint stock company, joint adventure, corporation, limited liability company, municipal corporation, the state or any of its political subdivisions, any state university created by statute, or a receiver, trustee, guardian or other representative appointed by any order of court.

PERSON MAINTAINING A PLACE OF BUSINESS IN THIS STATE: Any person having or maintaining within this state, directly or by a subsidiary or other affiliate, an office, generation

facility, distribution facility, transmission facility, sales office or other place of business, or any employee, agent, or other representative operating within this state under the authority of the person or its subsidiary or other affiliate, irrespective of whether such place of business or agent or other representative is located in this state permanently or temporarily, or whether such person, subsidiary or other affiliate is licensed or qualified to do business in this state.

PURCHASE AT RETAIL: Any acquisition of electricity by a purchaser for purposes of use or consumption, and not for resale, but shall not include the use of electricity by a public utility, as defined in 65 Illinois Compiled Statutes 5/8-11-2, directly in the generation, production, transmission, delivery, or sale of electricity.

PURCHASER: Any person who uses or consumes, within the corporate limits of the village, electricity acquired in a purchase at retail. (Ord. 10-06, 10-11-2010)

2-2B-2: TAX IMPOSED; RATES:

Pursuant to 65 Illinois Compiled Statutes 5/8-11-2, and any and all other applicable authority, a tax will be imposed upon the privilege of using or consuming electricity acquired in a purchase at retail and used or consumed within the corporate limits of the village at the following rates, calculated on a monthly basis for each purchaser:

| Amount Of Electricity Used Or Consumed | | Price Per Kilowatt Hour (Cents) |
|--|---------------------------|--|
| For the first | 2,000 kilowatt hours | 0.61 |
| For the next | 48,000 kilowatt hours | 0.40 |
| For the next | 50,000 kilowatt hours | 0.36 |
| For the next | 400,000 kilowatt hours | 0.35 |
| For the next | 500,000 kilowatt hours | 0.34 |
| For the next | 2,000,000 kilowatt hours | 0.32 |
| For the next | 2,000,000 kilowatt hours | 0.315 |
| For the next | 5,000,000 kilowatt hours | 0.31 |
| For the next | 10,000,000 kilowatt hours | 0.305 |
| Electricity in excess of 20,000,000 kilowatt hours | | 0.30 |

(Ord. 10-06, 10-11-2010)

2-2B-3: TAX IS ADDITIONAL:

The tax imposed by this article is in addition to all taxes, fees, and other revenue measures imposed by the village, the state of Illinois, or any other political subdivision of the state. (Ord. 10-06, 10-11-2010)

2-2B-4: EFFECTIVE DATE OF TAX:

The tax established by this article shall be imposed with respect to the use or consumption of electricity by purchasers beginning with the first bill issued on or after January 1, 2011. (Ord. 10-06, 10-11-2010)

2-2B-5: EXEMPTIONS FROM TAX:

The use or consumption of electricity within the village by units of local government or school districts shall be exempt from the tax imposed under this article. (Ord. 10-06, 10-11-2010)

2-2B-6: COLLECTION OF TAX:

- A. Collection; Tax A Debt: Subject to the provisions of section [2-2B-8](#) of this article, the tax imposed under this article shall be collected from purchasers by the person maintaining a place of business in this state who delivers electricity to such purchasers. This tax shall constitute a debt of the purchaser to the person that delivers the electricity to the purchaser and is recoverable at the same time and in the same manner as the original charge for delivering the electricity.
- B. Uncollectible Amounts: Any tax required to be collected by this article, and any tax in fact collected, shall constitute a debt owed to the village by the person delivering the electricity; provided, however, that the person delivering electricity shall be allowed credit for such tax related to deliveries of electricity, the charges for which are written off as uncollectible; and provided further, that if such charges are thereafter collected, the delivering supplier shall be obligated to remit such tax.
- C. Administrative Costs Added: Persons delivering electricity shall collect the tax from the purchaser by adding such tax to the gross charge for delivering the electricity. Persons delivering electricity shall also be authorized to add to such gross charge an amount equal

to three percent (3%) of the tax they collect to reimburse them for their expenses incurred in keeping records, billing customers, preparing and filing returns, remitting the tax and supplying data to the village upon request. For purposes of this article, any partial payment of a billed amount not specifically identified by the purchaser shall be deemed to be for the delivery of electricity. (Ord. 10-06, 10-11-2010)

2-2B-7: TAX REMITTANCE AND RETURN:

- A. Tax Return Required: Every person maintaining a place of business in this state who delivers electricity to a purchaser in accordance with this article shall, on a monthly basis, file a return in a form prescribed by the village treasurer. The return and accompanying remittance shall be due on or before the last day of the month following the month during which the tax is collected or is required to be collected under sections [2-2B-2](#) through [2-2B-6](#) of this article.

- B. Payment Of Tax: If the person delivering electricity fails to collect the tax from the purchaser or is excused from collecting the tax under section [2-2B-8](#) of this article, then the purchaser shall file a return in a form prescribed by the village treasurer and pay the tax directly to the village treasurer on or before the last day of the month following the month during which the electricity is used or consumed. (Ord. 10-06, 10-11-2010)

2-2B-8: RESALES:

- A. Restrictions: Electricity that is delivered to a person in the village shall be considered to be for use and consumption by that person unless the person receiving the electricity has an active resale number issued by the village treasurer and furnishes that number to the person who delivers the electricity, and certifies to that person that the sale is either entirely or partially nontaxable as a sale for resale.

- B. Resale Number: If a person who receives electricity in the village claims to be an authorized reseller of electricity, that person shall apply to the village treasurer for a resale number. The applicant shall state facts showing why he is not liable for the tax imposed by this article on any purchases of electricity and shall furnish such additional information as the village treasurer may reasonably require.

- C. Approval; Assignment Of Number: Upon approval of the application, the village treasurer shall assign a resale number to the applicant and shall certify the number to the applicant.

D. Failure To Pay Tax; Cancellation Of Number: The village treasurer may cancel the resale number of any person if the person fails to pay any tax required to be paid under this article for electricity used or consumed by the person, or if the number was either: 1) obtained through misrepresentation; or 2) no longer necessary because the person has discontinued making resales.

E. Reseller Conditions:

1. If a reseller had acquired electricity partly for use or consumption and partly for resale, the reseller shall pay the tax imposed by this article directly to the village treasurer pursuant to subsection [2-2B-7B](#) of this article on the amount of electricity that the reseller uses or consumes, and shall collect the tax pursuant to section [2-2B-6](#) of this article and remit the tax pursuant to subsection [2-2B-7A](#) of this article to the village treasurer on the amount of electricity delivered by the reseller to a purchaser.
2. Any person who delivers electricity to a reseller having an active resale number and complying with all other conditions of this section shall be excused from collecting and remitting the tax on any portion of the electricity delivered to the reseller; provided, that the person reports the total amount of electricity delivered to the reseller and such other information that the village treasurer may reasonably require. (Ord. 10-06, 10-11-2010)

2-2B-9: BOOKS AND RECORDS:

Every person maintaining a place of business in this state who delivers electricity to a purchaser, and every taxpayer required to pay the tax imposed by this article, shall keep accurate books and records of his business or activity, including contemporaneous books and records denoting the transactions that gave rise, or may have given rise, to any tax liability under this article. Those books and records shall be subject to and available for inspection at all times during business hours. (Ord. 10-06, 10-11-2010)

2-2B-10: REFUNDS AND CREDITS:

Notwithstanding any other provision of this article, in order to permit sound fiscal planning and budgeting by the village, no person shall be entitled to a refund of, or credit for, a tax imposed under this article unless the person files a claim for refund or credit within one year after the date on which the tax was paid or remitted. (Ord. 10-06, 10-11-2010)

2-2B-11: COMPLIANCE WITH STATE AND FEDERAL LAWS:

Notwithstanding any other provision of this article, the tax shall not be imposed if and to the extent that imposition or collection of the tax would violate the constitution or statutes of the United States or the constitution of the state of Illinois. (Ord. 10-06, 10-11-2010)

2-2B-12: VIOLATION; PENALTIES:

- A. Any taxpayer who fails to make a return, or who makes a fraudulent return, or who willfully violates any other provision of this article is guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than one hundred dollars (\$100.00) nor more than seven hundred fifty dollars (\$750.00) and, in addition, shall be liable in a civil action for the amount of tax due.
- B. Nothing in this article shall be construed as limiting any additional or further remedies that the village may have for enforcement of this article. (Ord. 10-06, 10-11-2010)

2-2B-13: TERMINATION OF TAX:

The tax imposed under this article shall terminate automatically on or after December 31, 2015, without any further action by the village president and board of trustees; provided, however that any amounts due or payable for any tax periods ending prior to December 31, 2015, are nevertheless to remain payable as if this section had not been adopted. (Ord. 10-06, 10-11-2010)

Chapter 3 INVESTMENT POLICY

2-3-1: VILLAGE POLICY:

It is the policy of the village to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the village and conforming to all state and local statutes governing the investment of public funds. (Ord. 05-15, 10-10-2005)

2-3-2: SCOPE:

This policy includes all funds governed by the village board of trustees. (Ord. 05-15, 10-10-2005)

2-3-3: PRUDENCE:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. (Ord. 05-15, 10-10-2005)

2-3-4: OBJECTIVES:

A. The primary objectives, in order of priority, shall be:

1. Legality: Conformance with federal, state and other legal requirements.
2. Safety: Preservation of capital and protection of investment principal.
3. Liquidity: Maintenance of sufficient liquidity to meet operating requirements.
4. Yield: Attainment of market rates of return.

B. The portfolio should be reviewed periodically as to its effectiveness in meeting the village needs for safety, liquidity, rate of return, diversification and its general performance. (Ord. 05-15, 10-10-2005)

2-3-5: MANAGEMENT AND ADMINISTRATION OF INVESTMENT PROGRAM:

Management and administrative responsibility for the investment program is hereby delegated to the village treasurer who, under the delegation of the board of trustees, shall establish written procedures for the operation of the investment program. (Ord. 05-15, 10-10-2005)

2-3-6: ETHICS AND CONFLICTS OF INTEREST:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. (Ord. 05-15, 10-10-2005)

2-3-7: AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS:

The treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security brokers/dealers selected by credit worthiness. (Ord. 05-15, 10-10-2005)

2-3-8: AUTHORIZED AND SUITABLE INVESTMENTS:

Investments may be made in any type of security allowed in Illinois statutes regarding the investments of public funds. Investments shall be made that reflect the cash flow needs of the type of fund being invested. (Ord. 05-15, 10-10-2005)

2-3-9: COLLATERALIZATION:

Funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by an agreement and held at an independent third party institution in the name of the village. (Ord. 05-15, 10-10-2005)

2-3-10: SAFEKEEPING AND CUSTODY:

All security transactions, including collateral for repurchase agreements, entered into by the village shall be conducted on a delivery versus payment (DVP) basis. Securities will be held by an independent third party custodian designated by the village treasurer and evidenced by safekeeping receipts and a written custodial agreement. (Ord. 05-15, 10-10-2005)

2-3-11: DIVERSIFICATION:

The village shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity. (Ord. 05-15, 10-10-2005)

2-3-12: MAXIMUM MATURITIES:

- A. To the extent possible, the village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the village will not directly invest in securities maturing more than two (2) years from the date of purchase.

- B. Reserve funds may be invested in securities exceeding two (2) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. (Ord. 05-15, 10-10-2005)

2-3-13: INTERNAL CONTROL:

The village treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The internal controls shall address the following points:

- A. Control of collusion.

- B. Separation of transaction authority from accounting.

- C. Custodial safekeeping.

- D. Written confirmation of telephone transactions for investments and wire transfers. (Ord. 05-15, 10-10-2005)

2-3-14: PERFORMANCE STANDARDS:

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a comparable rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio. (Ord. 05-15, 10-10-2005)

2-3-15: REPORTS REQUIRED:

- A. The village treasurer shall prepare an investment report at least monthly. The report should be provided to the board of trustees and available on request. The report should be in a format suitable for review by the general public. An annual report should also be provided to the board.

- B. A statement of the market value of the portfolio shall be issued to the board of trustees quarterly. (Ord. 05-15, 10-10-2005)

2-3-16: ANNUAL REVIEW OF POLICY; MODIFICATIONS:

The policy shall be reviewed on an annual basis by the village treasurer, and any modifications made thereto must be approved by the board of trustees. (Ord. 05-15, 10-10-2005; amd. 2013 Code)