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NEW FINANCIAL REPORTING REQUIREMENTS ON CASH BALANCES AND VENDOR INFORMATION

Within the past year, two new financial reporting requirements have been imposed upon school districts. Neither is particularly onerous and neither has penalties specified for noncompliance. Nonetheless, both legal mandates are now in effect.

Cash Balances. New Section 17-1.3 of the School Code provides that at the public hearing at which a school district certifies its annual budget and annual levy, the district must disclose the "cash reserve balance of all funds held by the district related to its operational levy and, if applicable, any obligations secured by those funds." It appears that this requires only a verbal recitation of all fund balances at both the budget hearing and the levy hearing. Even if a public

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hearing is not required for the levy under the Truth in Taxation Act, the fund balances should be announced at the board meeting wherein the final levy is approved.

Vendor Information. New Section 18-50.2 of the Property Tax Code provides that, beginning in tax levy year 2022, every taxing body, including school districts, which impose an aggregate tax levy of more than $5 million must collect and electronically publish certain specified information about its vendors and subcontractors. A "good faith effort" must be made to collect and publish the required information, so a failure to obtain complete or totally accurate information from contractors should not be the responsibility of the district as long as it has made that required effort. The law allows districts to use existing software to comply.

The following information is to be collected and published:

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1. Whether each vendor or subcontractor is a minority-owned or women-owned business, as those terms are defined by the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.
2. Whether the vendor or subcontractor holds any certifications for those categories or if they are self-certifying and, if self-certifying, whether they qualify as a small business under the federal Small Business Administration standards.

If you have any questions, please do not hesitate to contact one of our attorneys.

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