



Board of Education

Office of the Board
1 North Dearborn Street
Suite 950
Chicago, IL 60602

Board Report

24-1101-PO5

Agenda Date: 11/1/2024

AMEND BOARD REPORT 08-0924-PO2 ACCOUNTS RECEIVABLE POLICY

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

That the Board amend Board report 08-0924-PO2, Accounts Receivable policy, in response to the biennial review requirement in Board Rule 2-6. This policy was posted for public comment from August 30, 2024 until September 30, 2024.

Purpose:

Establishing the administrative requirements in this policy will ensure the uniform implementation and management of tracking and collecting receivables. This policy will help prevent unreimbursed allocations and delays in deposits while providing a centralized source for payment inquiry. Certain debts are inevitably uncollectible and this policy is required to establish the methodology for removing debt from the books and records.

POLICY TEXT:

I. CPS Receivables

Whereas many central office departments have agreements with other organizations for the reimbursement of Chicago Public School's expenses, the Chicago Public Schools maintains one payment location for the central office. All payments received by central office departments must be submitted to the Accounts Receivable Unit for deposit on the same day as it is received. All payments will be entered into the Oracle Accounts Receivable Module for tracking and audit purposes. All invoices submitted by any central office unit to a third party must contain an Accounts Receivable Invoice Number and the Accounts Receivable address for the payment location. This information is obtainable from the ~~Division of Revenue, Accounts Receivable Unit~~ Revenue Unit, Accounts Receivable Team. The invoicing department will be required to identify the due date, amounts, description of services, inquiry contact and phone number, and Oracle budget line to reimburse.

II. Rebates and Refunds

Rebates and refunds offered by retailers, manufacturers, or service providers based on usage or sales volumes will be credited to the general fund and appropriated as determined by the Office of Management and Budget.

III. Write-offs

~~Pursuant to Board Rule 5-32,~~ The Chief Financial Officer shall have the authority to determine if a receivable totaling \$50,000 or under is uncollectible and should be removed from the general ledger based upon a review of the circumstances. The Board shall authorize all write-offs of \$50,001 or more through board action. The Chief Financial Officer shall submit an annual report to the Board at the November or December board meeting of all write-offs and maintain a listing of uncollectible invoices and provide this listing to the General Counsel, Chief Talent Officer of ~~Human Resources~~ and Chief

~~Purchasing~~ Procurement Officer to prevent future board actions, supplier payments or the rehiring of the debtor. Removing the receivable from the general ledger shall not preclude the Chief Financial Officer from seeking collection through legal action initiated by the Board or third-party collection efforts.

IV. Collection Policy

The Chief Financial Officer has the authority to refer debts owed to the Chicago Public Schools to a third-party collection firm for collection. All referred debts will be reviewed by the General Counsel prior to being referred out to a third-party collection firm that has a contract with the Chicago Public Schools.

Approved for Consideration:

Approved:

Signed by:

Miroslava Mejia Krug
008830C29F8D469...

Miroslava Mejia Krug
Chief Financial Officer

DocuSigned by:

Pedro Martinez
AA17786A4B2446C...

Pedro Martinez
Chief Executive Officer

Approved as to Legal Form:

^{Initial}
LB

DocuSigned by:

Ruchi Verma
56B562E0FFA44C9...

Ruchi Verma
General Counsel