

August 29, 2024


AUTHORIZE THE COMMENCEMENT OF THE PUBLIC COMMENT PERIOD FOR THE AMENDMENT OF THE ACCOUNTS RECEIVABLE POLICY

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board authorize the commencement of the Public Comment Period from August 30, 2024 to September 30, 2024 for the Policy described in the disposition table below. Pursuant to Board Rule 2-6(c), the Board must authorize the commencement of the Public Comment Period.

Current Policy Section/ Current Policy Title	New Policy Section/ New Policy Title	Description of Revision/Disposition
Board Report 08-0924-PO2, Policy 401.20 Accounts Receivable		Amend Policy 401.20 Accounts Receivable This policy is being updated as part of the required biennial review process. During this review, it was noted that wording needs to be revised to reflect the current team titles and established a timeline for delivering an annual report to the Board.

Approved as to Legal Form: Initial
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DocuSigned by:

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Ruchi Verma
General Counsel

Approved:

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Pedro Martinez
Chief Executive Officer

**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.

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 Revenue Unit, Accounts Receivable Team ~~Division of Revenue, Accounts Receivable Unit~~ Accounts Receivable Unit. 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 board meeting of all write-offs and maintain a listing of uncollectible invoices and provide this listing to the General Counsel, Chief Officer of Human Resources and Chief Purchasing 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.

As a general rule, receivables should be written off when the expected costs of further collection efforts exceed the expected benefits.

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.