

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND  
POLICY AND PROCEDURE**

---

**POLICY NUMBER:** PP-2020-04  
**SUBJECT:** ACCOUNTS PAYABLE  
**EFFECTIVE DATE:** JULY 10, 2020  
**AMENDED:** FEBRUARY 26, 2021  
**AMENDED:** JULY 8, 2022

---

**INDEX:**

SECTION A:	PURPOSE
SECTION B:	AUTHORITY
SECTION C:	DEFINITIONS
SECTION D:	VENDORS
SECTION E:	INVOICE PROCESSING FOR PAYMENT
SECTION F:	INVOICE DEADLINES
SECTION G:	TYPES OF PAYMENTS
SECTION H:	APPROVAL OF EXPENSE REIMBURSEMENT CLAIMS
SECTION I:	EMPLOYEE PAYROLL
SECTION J:	POLICY REVIEW

---

**A. PURPOSE:**

1. The purpose of the Accounts Payable Policy is to provide consistent procedures for the Illinois Police Officers' Pension Investment Fund. These procedures are intended to provide safeguards for maintaining the quality and integrity of the accounts payable system in making payments to vendors.

**B. AUTHORITY:**

1. The Illinois Police Officers’ Pension Investment Fund was established under Article 22B of the Illinois Pension Code.
2. The term “Pension Fund” or “IPOPIF” shall refer to the Illinois Police Officers’ Pension Investment Fund created by 40 ILCS 5/22b-101 *et seq.*

**C. DEFINITIONS:**

1. Definitions used in the policy include:
  - a. AP means accounts payable.
  - b. FEIN means the federal employer identification number assigned to each vendor doing business with the Pension Fund.
  - c. Vendor means a contracted service provider that includes individuals and/or firms that provide a skill or service to the Pension Fund.
2. The term “Pension Fund” or “IPOPIF” shall refer to the Illinois Police Officers’ Pension Investment Fund created by 40 ILCS 5/22b-101 *et seq.*

**D. VENDORS:**

1. Vendors will be selected in accordance with the Purchasing Policy and Procurement or the Investment Services Policy.
2. A vendor must be authorized by the IPOPIF Executive Director.
3. Once vendors have been authorized, the Pension Fund or authorized service provider creates a new vendor in the financial record keeping system, inserting the FEIN number provided via the IRS W-9 form to ensure appropriate reporting under Internal Revenue Service guidelines.
4. Only authorized vendors will be paid by the Pension Fund.

**E. INVOICE PROCESSING FOR PAYMENT:**

1. Payments are to be made on original invoices received from vendors.
  - a. Payments are not to be made on statements from vendors.
  - b. Invoices may be received electronically or paper copy.
2. Invoices are to be sent directly to the Pension Fund for necessary approvals by the Executive Director before payment. Invoices may be sent via email to the Fund.
3. Invoices will be approved (or disapproved) by the IPOPIF Executive Director in accordance with the provisions of this policy.
4. Invoices approved for payment will be forwarded to the Billing Coordinator for processing and batching into a single warrant, generally on the 1<sup>st</sup> and 3<sup>rd</sup> weeks of every month and will be approved for payment by the IPOPIF Executive Director.
5. Warrants that are approved for payment will be forwarded to the Chief Financial Officer for payment processing through accounting and payroll services.
6. The Board of Trustees will ratify the paid warrant(s) at an immediately succeeding Board of Trustee meeting.

**F. INVOICE DEADLINES:**

1. Invoices will be processed and approved for payment, as received during normal business hours.
2. Approved vendor invoices and reimbursements will be *paid on demand* as received and in accordance with other provisions of this policy.

**G. TYPES OF PAYMENTS:**

1. Recurring payment invoices are expenses that occur on a regular basis, such as monthly rent, utilities, mobile phone expenses, monthly bank fees, insurance premiums, or other fixed monthly charges. These payments are those with vendors under a multi-term contract with the IPOPIF and have been approved by the Board of Trustees.
2. One-time payments are those with vendors under a contract for a specific service or period of time contract.

3. Reimbursement payments are those with members of the Board of Trustees, Executive Director, Pension Fund staff or others that have been approved for reimbursement for travel related expenses, mileage reimbursement and other pre-approved expenses related to Pension Fund operations.
  - a. Reimbursement Claim Forms are used by Board of Trustees or Pension Fund staff who have traveled on Fund business.
    - i. Travel, mileage, and other pre-approved expense claims must be submitted via a Reimbursement Claim form (see attached).
    - ii. Full details of expenses along with original documents and receipts of expenses are required.
  - b. The Reimbursement Claim Form may be used to request reimbursement of mileage to Board meetings and direct expenses such as tolls and meals, if eligible.
    - i. The number of miles is reasonable for the trip traveled according to mapquest.com. Only the directions with the from (home or business) and to (site of meeting) location, stating the distance in between, is needed from mapquest.com. Actual copies of maps are not needed.
    - ii. Mileage shall be paid at the Internal Revenue Service (IRS) mileage rate in effect for the date of travel.
    - iii. Other reimbursement will be made consistent Board Policy.
4. Municipalities may be reimbursed for the reasonable costs incurred that are due to the police officer's absence while serving as a member of the Board of Trustees (40 ILCS 5/22b-115(d)).
  - a. The Pension Fund shall notify the municipality in advance of the dates, times, and locations of this official business.
  - b. The municipality shall claim reimbursement using a Pension Fund approved form and shall include appropriate documentation to support the expense claim.

#### **H. APPROVAL OF EXPENSE REIMBURSEMENT CLAIMS:**

1. Expense and mileage claim forms will be reviewed and approved (or disapproved) in accordance with the provisions of this policy.
2. Expense reimbursement claims must be approved prior to payment.

3. Allowable expenses are those allowed by Board Policy or specifically approved by the Board of Trustees.
4. Approval of expense reimbursement claims will be made as follows:
  - a. The Board Chair shall approve expense claims for Board members, the Executive Director, and the Chief Investment Officer.
  - b. The Vice Chair shall approve expense claims for the Board Chair.
  - c. The Executive Director will approve all expense claims for other Pension Fund staff.

#### **I. EMPLOYEE PAYROLL:**

1. Employees will be paid for their services according to the employment agreement with the Pension Fund. Employees will provide the standard documents required by the Pension Fund or authorized payroll service provider, the IRS, State of Illinois, and other benefit providers in a timely manner. Paychecks will not be issued until such documentation is completed.
2. Pension Fund employees will be paid on a semi-monthly pay cycle basis. A semi-monthly pay cycle consists of 24 paychecks per year, 2 per month.
3. Paychecks will be issued on the 15<sup>th</sup> and the last business day of the month.
  - a. Should a holiday fall on the 15<sup>th</sup> or the last business day of the month, the paycheck will be issued on the business day before the holiday.
  - b. Paychecks will be issued on the business day prior to a Saturday or Sunday if either is the 15<sup>th</sup> of the month.
  - c. The pay schedules for employees would be paid in *arrears*, meaning that the pay period of the 1<sup>st</sup> to the 15<sup>th</sup> of the month would be paid on the last business day of the same month. The pay period of the 16<sup>th</sup> through the last day of the month would be paid on the 15<sup>th</sup> of the following month.

## **J. POLICY REVIEW**

1. The Policy is subject to change in the exercise of the Board's judgement.
2. The Board of Trustees will review this policy at least every two (2) years to ensure that it remains relevant and appropriate and consistent with state and federal laws and regulations.
3. In the event of legislative changes to the pertinent sections addressed in this policy the Board will review the policy as appropriate.
4. This policy was adopted by the Board on July 10, 2020.
5. This policy was amended by the Board on February 26, 2021.
  - a. Section G-12: Recurring payments
6. This policy was amended by the Board on July 8, 2022:
  - a. Sections A-J: Numbering was revised.
  - b. Section C: Definitions revised
  - c. Section D: Vendors definition revised and references to Board policies added
  - d. Section E: Invoice approval and processing steps revised
  - e. Section G: Types of Payments: Recurring payments revised