

**VILLAGE OF VERNON HILLS
RESOLUTION 2025-060**

**A RESOLUTION ADOPTING A REVISED INVESTMENT POLICY SETTING THE
STANDARDS FOR THE INVESTMENT OF VILLAGE FUNDS**

WHEREAS, it is necessary to provide direction for Village Officials responsible for the stewardship of public funds for the Village of Vernon Hills; and

WHEREAS, an Investment Policy is a prudent method to set controls and standards regarding the objectives, ethical standards, financial institutions and investment instruments permissible by an Illinois municipality; and

WHEREAS, the State of Illinois previously enacted legislation known as *The Public Funds Investment Act (the "ACT") 30 ILCS 235/* mandating that all units of government have a formal investment policy in place; and

WHEREAS, the Village last amended its investment policy on May 2, 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS, as follows:

SECTION 1: ADOPTION OF THE REVISED INVESTMENT POLICY – The Investment Policy, attached as Exhibit A, is hereby approved and adopted by the Village Board.

SECTION 2: EFFECTIVE DATE - This Resolution shall be in full force and effective November 4, 2025.

SECTION 3: RESOLUTION NUMBER - This Resolution shall be known as Resolution Number 2025-060.

Dated the 4th of November, 2025.

Adopted by roll call votes as follows:

AYES: 6 – Marquardt, Oppenheim, Forster, Schenk, Lundeen, Koch

NAYS: 0 - None

ABSENT AND NOT VOTING: 1- Takaoka

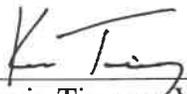


Thom Koch Jr., Village President

PASSED: 11/04/2025

APPROVED: 11/04/2025

ATTEST: 11/04/2025



Kevin Timony, Village Clerk



EXHIBIT A

**VILLAGE OF VERNON HILLS
INVESTMENT POLICY**



Investment Policy

Thom Koch Jr., President

Trustees

Michael Marquardt

David Oppenheim, MD

Craig Takaoka

Nancy Forster

Michael Schenk

Monica Lundeen

Staff

Kevin Timony, Village Manager/Clerk

Thomas Lyons, Finance Director/Treasurer

Proposed

	POLICY	Investment	REVISION HISTORY	
	ADOPTED DATE	Proposed	1993-	06/15/1993
	DEPARTMENT	Finance	2010-092	07/06/2010
			2023-019	05/02/2023

This policy has been adopted by Resolution of the Village Board of the Village of Vernon Hills and replaces all previous Investment Policies or Resolutions pertaining to the Village's cash and investment management program.

1. Introduction

This Investment Policy (the "Policy") of the Village of Vernon Hills, Illinois (the "Village") defines the parameters governing investment activities, including the methods, procedures, and practices that ensure effective and prudent fiscal management of the Village's funds. The guidelines are intended to be broad enough to allow investment personnel to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the Village's investment assets. This policy provides a framework that promotes transparency, accountability, and responsible stewardship of public resources.

2. Policy

It is the policy of the Village to prudently manage its investment portfolio in a manner which will ensure the preservation of principal while providing the best possible investment return with maximum security, while meeting the Village's daily cash flow needs and conforming to all federal, state and local laws governing the investment of public funds.

The Village's investment policy shall be adopted by resolution by the Village Board. The policy shall be reviewed on an annual basis by the Director of Finance/Treasurer and any modifications made thereto must be approved by the Village Board.

3. Purpose

The purpose of this Investment Policy is to establish clear objectives, authorities, and procedures for the prudent management of Village funds, including investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures.

4. Governing Authority

The investment program of the Village shall be operated in conformance with the *Illinois Public Funds Investment Act (30 ILCS 235/)* and any other governing legislation or legal requirements applicable. See Illinois Public Funds Investment Act attached.

5. Scope

This policy applies to the investment of all Village funds, excluding the investments of the Police Pension Fund. The covered funds, and any new funds created by the Village, unless specifically exempted by the Village Board and this policy, are defined in the Village's Annual Comprehensive Financial Report (ACFR).

A. Pooling of Funds

Except for cash in certain restricted and special funds, the Village will consolidate cash reserve balances from all applicable funds to maximize investment earnings and administrative efficiency. Investment income will be allocated to the various funds based on their respective participation and in accordance with general accepted accounting principles.

6. Objectives

The primary objectives, listed in priority order, of investment activities shall be safety, liquidity, and return:

A. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools (LGIP) which offer same-day liquidity for short-term funds.

C. Return

The investment portfolio shall be designed to achieve a market rate of return across economic cycles, while prioritizing safety and liquidity. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- Selling a security and reinvesting the proceeds that would improve the quality, yield, or target duration in the portfolio may be undertaken.
- Unanticipated liquidity needs of the portfolio require that the security be sold.

7. Standards of Care

The Village Treasurer and external Investment Advisors/Managers, if applicable, have a fiduciary duty to ensure that the Village funds are maintained, invested, and accounted for with care, diligence, fidelity, and sound business judgement in accordance with this policy.

A. Delegation of Authority

Authority to manage the investment program is granted to the Finance Director/Treasurer, hereinafter referred to as Investment Officer and derived from Illinois Compiled Statutes and the Municipal Code of the Village of Vernon Hills. Responsibility for the operation of the investment program is hereby delegated to the Investment Officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. At a minimum, procedures should include reference to the following: safekeeping, delivery vs. payment, investment accounting, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Vendors

The Village may engage an Investment Advisor/Manager to manage a portion or all the Village's investable assets on a discretionary basis within the Investment Policy guidelines and Illinois State Statutes.

B. Prudence

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. Investment Officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent person" standard states that,

"Investment 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."

C. Ethics and Conflicts of Interest

Except for pecuniary interests permitted under the *Public Funds Investment Act (30 ILCS 235/)*, no person acting as treasurer or financial officer or who is employed in any similar capacity by or for the Village may do any of the following:

- Have any interest, directly or indirectly, in any investments in which the Village is authorized to invest.
- Have any interest, directly or indirectly, in the sellers, sponsors, or managers of those investments.
- Receive, in any manner, compensation of any kind from any investments in which the Village is authorized to invest.
- Conduct personal investment transactions with the same individual(s) with whom business is conducted on behalf of the Village.

For purposes of this section, an interest or compensation shall not include:

- Ordinary personal deposit accounts maintained at financial institutions on the same terms available to the general public, including the receipt of standard interest income or earnings thereon, even if the Village maintains separate deposit or investment relationships with the same institution;
- Ownership of de minimis amounts of publicly traded stock in financial institutions that may serve as authorized depositories or investment counterparties, provided such ownership does not confer control, management authority, or a material financial benefit from Village investment decisions;

- Ordinary dividends, interest, or capital gains derived from such de minimis ownership interests or from diversified investment vehicles, provided such earnings arise solely from general market performance and not from any transaction or arrangement involving Village funds; or
- Indirect ownership interests held through diversified investment vehicles such as mutual funds, exchange-traded funds (ETFs), or retirement accounts where the individual does not exercise investment discretion over specific holdings.

Any ownership interest or financial relationship that could reasonably be perceived as a conflict of interest shall be disclosed in writing to the Village Manager and included in the Village's investment records. In such cases, the Investment Officer shall refrain from executing or authorizing investment transactions involving the affected institution.

Nothing in this section shall be construed to limit the Village's ability to consider material financial factors, as permitted by 30 ILCS 235/2.5, provided such consideration remains consistent with the Village's fiduciary duties of prudence, loyalty, and impartiality, and does not result in any personal financial gain to the Investment Officer.

8. Authorized Financial Institutions, Depositories, and Broker/Dealers

A. Authorized Financial institutions, Depositories, and Broker/Dealers

The Finance Director/Treasurer shall maintain a listing of financial institutions and depositories authorized to hold demand or time deposits and/or provide investment services. No deposit of public funds shall be made with depositories that exceed the FDIC or comparable insurance limits except in a qualified public depository as established by resolution of the Village Board.

In addition, the Finance Director/Treasurer shall maintain a list of approved broker/dealers selected based on creditworthiness, regulatory compliance, and other relevant factors.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following, as applicable:

- Most recent audited financial statements demonstrating compliance with state and federal capital adequacy guidelines;
- **Broker/Dealer Only:** Proof the firm is a primary dealer of government securities as listed by the Federal Reserve Bank of New York or regional dealers that qualify under the Securities and Exchange Commission (SEC) Uniform Net Capital Rule (Rule 15c3-1);
- **Broker/Dealer Only:** Proof of current registration with the Financial Industry Regulatory Authority (FINRA);
- Proof of registration or license to conduct business in the State of Illinois; and
- Certification of having read, understood, and agreed to comply with the Village's investment policy and applicable Illinois statutes.

All investment transactions with approved broker/dealers shall conform to the delivery-versus-payment (DVP) requirements and custodial procedures set forth in Section 9 – Safekeeping and Custody of this Policy.

The financial condition, registration status, and regulatory compliance of all qualified financial institutions and broker/dealers shall be reviewed periodically by the Investment Officer.

9. Safekeeping and Custody

A. *Delivery versus Payment (DVP)*

All purchases of marketable securities shall be executed on a *delivery-versus-payment (DVP)* basis to ensure that securities are received into the Village's designated third-party custodial account in the Village's name before any payment of funds is released. This practice ensures the Village retains full control of its assets and mitigates counterparty settlement risk.

B. *Safekeeping*

All securities shall be held by an independent third-party custodian selected by the Village and registered in the Village's name. The custodian shall provide regular account statements to the Village and shall annually provide a copy of its most recent *Service Organization Control (SOC 1 Type II)* report on internal controls, prepared in accordance with the *Statement on Standards for Attestation Engagements (SSAE) No. 18*, or its successor standard.

C. *Internal Controls*

The Investment Officer shall establish and maintain a written system of internal controls designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or officers of the Village. The internal control system shall be reviewed annually by the Investment Officer in consultation with the Village's independent auditor, and updated as necessary to reflect changes in operations, staffing, or financial practices.

10. Suitable and Authorized Investments

A. *Investment Types*

Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices and applicable Illinois statutes, the following investments are authorized under this policy:

- U.S. Treasury obligations backed by the full faith and credit of the United States Government;
- U.S. government agency and Government-Sponsored Enterprise (GSE) obligations with a liquid market and readily determinable market value, including but not limited to obligations of the Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC).

Permitted instruments include traditional debt securities, agency notes, debentures, and mortgage-backed obligations such as Fannie Mae Delegated Underwriting and Servicing (DUS) Bonds, Freddie Mac Participation Certificates (PC Bonds), and other GSE-issued mortgage-backed or pass-through securities that are backed by pools of residential or multifamily mortgages, provided the securities represent the full principal-and-interest obligation of the issuing agency or GSE. Securities backed by loans that include borrower-

level interest-only payment terms are a full principal-and-interest obligation and shall not be considered structured or derivative instruments;

- Interest-bearing savings accounts, Certificates of Deposit (CDs), other time-deposits at financial institutions or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
- Short-term obligations (commercial paper) of corporations organized in the United States with assets exceeding \$500,000,000, rated at A-1, P-1, F-1, or better by two nationally recognized rating agencies, maturing not later than 270 days from the date of purchase, and representing no more than 10% of the corporation's outstanding obligations;
- Corporate obligations (bonds or notes) of corporations organized in the United States with assets exceeding \$500,000,000, rated at A or A3 or better by two nationally recognized rating agencies, maturing greater than 270 days and not exceeding seven years from the date of purchase, and representing no more than 10% of the corporation's outstanding obligations;
- Obligations of state and local governments and public authorities rated A, A2 or better;
- Illinois Metropolitan Investment Fund (IMET);
- Money market mutual funds regulated by the Securities and Exchange Commission (SEC) and whose portfolios consist only of dollar-denominated securities; and
- Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation.

B. Derivative Instruments, Leveraged Securities, and Repurchase Agreements

Derivative instruments, leveraged securities, and repurchase agreements are not permissible under this policy. Mortgage-backed or asset-backed securities issued or guaranteed by U.S. government agencies or GSEs—including Fannie Mae DUS Bonds and Freddie Mac Participation Certificates—shall not be considered derivative instruments under this policy.

C. Collateralization

In accordance with governing legislation, including the *Illinois Public Funds Investment Act (30 ILCS 235/6)*, and the GFOA Recommended Practices on Collateralization of Public Deposits, all deposits of public funds in excess of federally insured limits shall be fully collateralized.

To anticipate market fluctuations and ensure the ongoing security of all funds, collateral shall be maintained at a minimum level of 105% of the market value of the deposits held in excess of FDIC coverage limits.

Acceptable collateral shall be limited to securities issued or guaranteed by the U.S. Government or its agencies, or by a Government-Sponsored Enterprise (GSE), as permitted under this Policy. In lieu of securities, irrevocable letters of credit issued by a federal agency or GSE (e.g., the Federal Home Loan Bank) may be pledged as collateral, provided they are held by an independent third-party custodian and remain valid for the duration of the deposit.

11. Investment Diversification & Constraints

A. Diversification

It is the policy of the Village to diversify its investment portfolio. To reduce risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all Village funds shall be diversified by maturity, issuer, and security type. Diversification strategies shall be determined and revised periodically by the Investment Officer for all funds, except for the Police Pension Fund.

In establishing specific diversification strategies, the following general policies and constraints shall apply:

Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity to meet the daily obligations of the Village.

The Investment Officer shall establish guidelines to identify funds needed to meet the daily obligations of the Village (operating funds), minimum operating reserves, and funds to be invested in a core investment portfolio. This will allow necessary funds to remain liquid to meet daily needs while allowing the core investment portfolio to be *held to maturity*, thereby mitigating the impact of market or interest-rate risk on the overall portfolio.

To mitigate liquidity risk:

1. Operating funds are to remain liquid in demand deposits held in Village bank accounts.
2. Operating reserves may be held in demand deposit accounts or invested in any allowable investment type with a duration of less than 90 days and a maximum allocation of 100% by instrument, as outlined in the table below.

The following diversification limitations shall be imposed on the core investment portfolio to mitigate default and maturity risk:

Core Portfolio Maximums

Instrument	Maximum % by Instrument	Maximum % or \$ by Issuer	Maximum Maturity
U.S. Treasuries	100%	100%	7 years
U.S. Government Agencies (Includes GSEs)	80%	25%	7 years
Local Government Investment Pools (LGIP)	100%	n/a	n/a
Certificates of Deposits (CDs)	100%	FDIC Coverage	7 years
Municipal Bonds	50%	5%	7 Years
Money Market Mutual Funds	100%	n/a	n/a
Commercial Paper	33%	5%	270 days
Corporate Obligations	33%	5%	7 years

B. Competitive Transactions and Market Pricing

All investment transactions shall be executed in a manner designed to ensure that the Village receives fair and competitive pricing and yields relative to prevailing market conditions.

The Investment Officer shall use available market information — including yield data from comparable securities, current offerings of eligible investment types, and relative positions on the U.S. Treasury yield curve — to evaluate the fairness of quoted prices and yields. When feasible, indicative market levels or quotes may be obtained from more than one financial institution, broker/dealer, or investment counterparty to confirm reasonableness.

All transactions shall be settled in accordance with the delivery-versus-payment (DVP) procedures outlined in Section 9(A).

For securities purchased or sold through a custodial platform, investment advisor, broker/dealer, or institutional trading desk, the Investment Officer shall rely on trade execution reports, third-party pricing services, or independent market benchmarks to verify that each transaction was executed at a price consistent with current market levels for similar securities.

The Investment Officer shall maintain trade confirmations, pricing documentation, and benchmark comparisons as part of the permanent investment record to demonstrate that all transactions were conducted at market-based pricing.

12. Reporting

A. Methods

The Investment Officer shall prepare a comprehensive investment report at least quarterly, including a management summary analyzing the current portfolio's composition, performance, and compliance with this Policy. The report shall enable the Village to evaluate whether investment activities during the reporting period have conformed to policy objectives and statutory requirements.

The report shall be provided to the Village Manager and the Village Board and, at a minimum, shall include:

- A listing of individual securities held at the end of the reporting period, including type, issuer, par value, acquisition cost, book value, and current market value.
- The portfolio's weighted average life (WAL) and book yield.
- The average portfolio rate of return compared to applicable market benchmarks (e.g., U.S. Treasury indices, LGIP yields, or other comparable benchmarks).
- The percentage of the total portfolio represented by each investment type or sector.
- A certification that the portfolio is in compliance with this Policy and continues to meet the Village's stated objectives of safety, liquidity, and return.

B. Performance Standards

The portfolio shall be managed in accordance with the parameters specified in this Policy. Performance shall be evaluated against a series of appropriate market benchmarks that reflect the portfolio's composition, average maturity, and risk profile.

The objective of benchmarking is to assess performance consistency and market competitiveness over time, not to encourage speculation or deviation from the primary objectives of safety and liquidity.

The portfolio should seek to achieve a market-average rate of return during periods of stable interest rates, as measured against relevant indices such as:

- The U.S. Treasury curve for short- to medium-term maturities;
- The Illinois Funds or IMET for liquidity comparisons; and
- Other indices or composite benchmarks deemed appropriate by the Investment Officer.

C. Marking to Market

The market value of the portfolio shall be determined at least quarterly, and a statement of market valuation shall be included in the quarterly investment report. This process ensures that the portfolio's valuation and price volatility are regularly reviewed and that the Village's reporting practices remain consistent with GFOA Best Practices: "Mark-to-Market Reporting for Public Investment Portfolios."

Market values shall be obtained from the Village's custodian, pricing service, or reliable independent source, and documentation supporting those values shall be retained as part of the Village's permanent investment record.

13. List of Attachments

- A. *Illinois Public Funds Investment Act (30 ILCS 235/)*

(30 ILCS 235/) Public Funds Investment Act.

Information maintained by the Legislative Reference Bureau

Updating the database of the Illinois Compiled Statutes (ILCS) is an ongoing process. Recent laws may not yet be included in the ILCS database, but they are found on this site as [Public Acts](#) soon after they become law. For information concerning the relationship between statutes and Public Acts, refer to the [Guide](#).

Because the statute database is maintained primarily for legislative drafting purposes, statutory changes are sometimes included in the statute database before they take effect. If the source note at the end of a Section of the statutes includes a Public Act that has not yet taken effect, the version of the law that is currently in effect may have already been removed from the database and you should refer to that Public Act to see the changes made to the current law.

(30 ILCS 235/0.01) (from Ch. 85, par. 900)

Sec. 0.01.

Short title.

This Act may be cited as the
Public Funds Investment Act.

(Source: P.A. 86-1324.)

(30 ILCS 235/1) (from Ch. 85, par. 901)

Sec. 1.

The words "public funds", as used in this Act, mean current operating funds, special funds, interest and sinking funds, and funds of any kind or character belonging to or in the custody of any public agency.

The words "public agency", as used in this Act, mean the State of Illinois, the various counties, townships, cities, towns, villages, school districts, educational service regions, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, the Illinois Bank Examiners' Education Foundation, the Chicago Park District, and all other political corporations or subdivisions of the State of Illinois, now or hereafter created, whether herein specifically mentioned or not.

This Act does not apply to the Illinois Prepaid Tuition Trust Fund, private funds collected by the Illinois Conservation Foundation, or pension funds or retirement systems established under the Illinois Pension Code, except as otherwise provided in that Code. This Act does not apply to the Illinois State Treasurer, whose investment of State funds shall be governed by the Deposit of State Moneys Act.

The words "governmental unit", as used in this Act, have the same meaning as in the Local Government Debt Reform Act.

(Source: P.A. 102-297, eff. 8-6-21.)

(30 ILCS 235/2) (from Ch. 85, par. 902)

Sec. 2. Authorized investments.

(a) Any public agency may invest any public funds as follows:

(1) in bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;

(2) in bonds, notes, debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities;

(3) in interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;

(4) in short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and which mature not later than 270 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations, and (iii) no more than one-third of the public agency's funds may be invested in short-term obligations of corporations under this paragraph (4);

(4.5) in obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and which mature more than 270 days but less than 10 years from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations, and (iii) no more than one-third of the public agency's funds may be invested in obligations of corporations under this paragraph (4.5); or

(5) in money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in paragraph (1) or (2) of this subsection and to agreements to repurchase such obligations.

(a-1) In addition to any other investments authorized under this Act, a municipality, park district, forest preserve district, conservation district, county, or other governmental unit may invest its public funds in interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the municipality, park district, forest preserve district, conservation district, county, or other governmental unit, or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.

(b) Investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation. Any public agency may invest any public funds in short term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by the Federal Deposit Insurance Corporation. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of such governing authority, the public funds so invested will be required for expenditure by such public agency or its governing authority. The expressed judgment of any such governing authority as to the time when any public funds will be required for expenditure or be redeemable is final and conclusive. Any public agency may invest any public funds in dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of this State or

the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law.

(c) For purposes of this Section, the term "agencies of the United States of America" includes: (i) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory thereto; (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress.

(d) Except for pecuniary interests permitted under subsection (f) of Section 3-14-4 of the Illinois Municipal Code or under Section 3.2 of the Public Officer Prohibited Practices Act, no person acting as treasurer or financial officer or who is employed in any similar capacity by or for a public agency may do any of the following:

(1) have any interest, directly or indirectly, in any investments in which the agency is authorized to invest.

(2) have any interest, directly or indirectly, in the sellers, sponsors, or managers of those investments.

(3) receive, in any manner, compensation of any kind from any investments in which the agency is authorized to invest.

(e) Any public agency may also invest any public funds in a Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act. Any public agency may also invest any public funds in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds.

(f) To the extent a public agency has custody of funds not owned by it or another public agency and does not otherwise have authority to invest such funds, the public agency may invest such funds as if they were its own. Such funds must be released to the appropriate person at the earliest reasonable time, but in no case exceeding 31 days, after the private person becomes entitled to the receipt of them. All earnings accruing on any investments or deposits made pursuant to the provisions of this Act shall be credited to the public agency by or for which such investments or deposits were made, except as provided otherwise in Section 4.1 of the State Finance Act or the Local Governmental Tax Collection Act, and except where by specific statutory provisions such earnings are directed to be credited to and paid to a particular fund.

(g) A public agency may purchase or invest in repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986, as now or hereafter amended or succeeded, subject to the provisions of said Act and the regulations issued thereunder. The government securities, unless registered or inscribed in the name of the public agency, shall be purchased through banks or trust companies authorized to do business in the State of Illinois.

(h) Except for repurchase agreements of government securities which are subject to the Government Securities Act of 1986, as now or hereafter amended or succeeded, no public agency may purchase or invest in instruments which constitute repurchase agreements, and no financial institution may enter into such an agreement with or on behalf of any public agency unless the instrument and the transaction meet the following requirements:

(1) The securities, unless registered or inscribed in the name of the public agency, are purchased through banks or trust companies authorized to do business in the State of Illinois.

(2) An authorized public officer after ascertaining which firm will give the most favorable rate of interest, directs the custodial bank to "purchase" specified securities from a designated institution. The "custodial bank" is the bank or trust company, or agency of government, which acts for the public agency in connection with repurchase agreements involving the investment of funds by the public agency. The State Treasurer may act as custodial bank for public agencies executing repurchase agreements. To the extent the Treasurer acts in this capacity, he is hereby authorized to pass through to such public agencies any charges assessed by the Federal Reserve Bank.

(3) A custodial bank must be a member bank of the

Federal Reserve System or maintain accounts with member banks. All transfers of book-entry securities must be accomplished on a Reserve Bank's computer records through a member bank of the Federal Reserve System. These securities must be credited to the public agency on the records of the custodial bank and the transaction must be confirmed in writing to the public agency by the custodial bank.

(4) Trading partners shall be limited to banks or trust companies authorized to do business in the State of Illinois or to registered primary reporting dealers.

(5) The security interest must be perfected.

(6) The public agency enters into a written master repurchase agreement which outlines the basic responsibilities and liabilities of both buyer and seller.

(7) Agreements shall be for periods of 330 days or less.

(8) The authorized public officer of the public agency informs the custodial bank in writing of the maturity details of the repurchase agreement.

(9) The custodial bank must take delivery of and maintain the securities in its custody for the account of the public agency and confirm the transaction in writing to the public agency. The Custodial Undertaking shall provide that the custodian takes possession of the securities exclusively for the public agency; that the securities are free of any claims against the trading partner; and any claims by the custodian are subordinate to the public agency's claims to rights to those securities.

(10) The obligations purchased by a public agency may only be sold or presented for redemption or payment by the fiscal agent bank or trust company holding the obligations upon the written instruction of the public agency or officer authorized to make such investments.

(11) The custodial bank shall be liable to the public agency for any monetary loss suffered by the public agency due to the failure of the custodial bank to take and maintain possession of such securities.

(i) Notwithstanding the foregoing restrictions on investment in instruments constituting repurchase agreements the Illinois Housing Development Authority may invest in, and any financial institution with capital of at least \$250,000,000 may act as custodian for, instruments that constitute repurchase agreements, provided that the Illinois Housing Development Authority, in making each such investment, complies with the safety and soundness guidelines for engaging in repurchase transactions applicable to federally insured banks, savings banks, savings and loan associations or other depository institutions as set forth in the Federal Financial Institutions Examination Council Policy Statement Regarding Repurchase Agreements and any regulations issued, or which may be issued by the supervisory federal authority pertaining thereto and any amendments thereto; provided further that the securities shall be either (i) direct general obligations of, or obligations the payment of the principal of and/or interest on which are unconditionally guaranteed by, the United States of America or (ii) any obligations of any agency, corporation or subsidiary thereof controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress of the United States and provided further that the security interest must be perfected by either the Illinois Housing Development Authority, its custodian or its agent receiving possession of the securities either physically or transferred through a nationally recognized book entry system.

(j) In addition to all other investments authorized under this Section, a community college district may invest public funds in any mutual funds that invest primarily in corporate investment grade or global government short term bonds. Purchases of mutual funds that invest primarily in global government short term bonds shall be limited to funds with assets of at least \$100 million and that are rated at the time of purchase as one of the 10 highest classifications established by a recognized rating service. The investments shall be subject to approval by the local community college board of trustees. Each community college board of trustees shall develop a policy regarding the percentage of the college's investment portfolio that can be invested in such funds.

(k) In addition to all other investments authorized under this Section, a public agency may adopt an ordinance or resolution to allow for investment of public funds in other instruments not specifically listed in this Section provided

that those investments comply with (i) any other law that authorizes public agencies to invest funds and (ii) the investment policy adopted by the public agency under Section 2.5 of this Act.

Nothing in this Section shall be construed to authorize an intergovernmental risk management entity to accept the deposit of public funds except for risk management purposes.

(Source: P.A. 102-285, eff. 8-6-21; 103-880, eff. 1-1-25.)

(30 ILCS 235/2.3)

Sec. 2.3. Russian or Belarusian investments prohibited. Notwithstanding any provision of law to the contrary, a public agency shall not invest public funds in Russian or Belarusian sovereign debt, Russian or Belarusian government-backed securities, any investment instrument issued by an entity that is domiciled or has its principal place of business in Russia or Belarus, or any investment instrument issued by a company that is subject to Russian Harmful Foreign Activities Sanctions, as that term is defined under Section 1-110.16 of the Illinois Pension Code, and shall not invest or deposit public funds in any bank that is domiciled or has its principal place of business in Russia or Belarus or in any other financial institution that is domiciled or has its principal place of business in Russia or Belarus or that is subject to Russian Harmful Foreign Activities Sanctions.

(Source: P.A. 102-1108, eff. 12-21-22.)

(30 ILCS 235/2.5)

Sec. 2.5. Investment policy.

(a) Investment of public funds by a public agency shall be governed by a written investment policy adopted by the public agency. The level of detail and complexity of the investment policy shall be appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio. The policy shall address safety of principal, liquidity of funds, and return on investment and shall require that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. In addition, the investment policy shall include or address the following:

(1) a listing of authorized investments;

(2) a rule, such as the "prudent person rule", establishing the standard of care that must be maintained by the persons investing the public funds;

(3) investment guidelines that are appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio;

(4) a policy regarding diversification of the investment portfolio that is appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio;

(5) guidelines regarding collateral requirements, if

any, for the deposit of public funds in a financial institution made pursuant to this Act, and, if applicable, guidelines for contractual arrangements for the custody and safekeeping of that collateral;

(6) a policy regarding the establishment of a system of internal controls and written operational procedures designed to prevent losses of funds that might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the entity;

(7) identification of the chief investment officer who is responsible for establishing the internal controls and written procedures for the operation of the investment program;

(8) performance measures that are appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio;

(9) a policy regarding appropriate periodic review of the investment portfolio, its effectiveness in meeting the public agency's needs for safety, liquidity, rate of return, and diversification, and its general performance;

(10) a policy establishing at least quarterly written reports of investment activities by the public agency's chief financial officer for submission to the governing body and chief executive officer of the public agency. The reports shall include information regarding securities in the portfolio by class or type, book value, income earned, and market value as of the report date;

(11) a policy regarding the selection of investment advisors, money managers, and financial institutions; and

(12) a policy regarding ethics and conflicts of interest.

(a-5) The investment policy shall include a statement that material, relevant, and decision-useful sustainability factors have been or are regularly considered by the agency, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors include, but are not limited to: (i) corporate governance and leadership factors; (ii) environmental factors; (iii) social capital factors; (iv) human capital factors; and (v) business model and innovation factors, as provided under the Illinois Sustainable Investing Act.

(b) For purposes of the State or a county, the investment policy shall be adopted by the elected treasurer and presented to the chief executive officer and the governing body. For purposes of any other public agency, the investment policy shall be adopted by the governing body of the public agency.

(c) The investment policy shall be made available to the public at the main administrative office of the public agency.

(d) The written investment policy required under this Section shall be developed and implemented by January 1, 2000.

(Source: P.A. 101-473, eff. 1-1-20.)

Sec. 2.10.

Unit of local government; deposit at reduced rate of interest.

The treasurer of a unit of

local

government may, in his or her discretion, deposit public moneys of that unit of local

government in a financial institution pursuant to an agreement that provides for a reduced

rate of interest, provided that the institution agrees to expend an amount of money equal

to the amount of the reduction for senior centers.

(Source: P.A. 93-246, eff. 7-22-03.)

(30 ILCS 235/3) (from Ch. 85, par. 903)

Sec. 3.

If any securities, purchased under authority of Section 2 hereof, are issuable to a designated payee or to the order of a designated payee, then the public agency shall be so designated, and further, if such securities are purchased with money taken from a particular fund of a public agency, the name of such fund shall be added to that of such public agency. If any such securities are registerable, either as to principal or interest, or both, then such securities shall be so registered in the name of the public agency, and in the name of the fund to which they are to be credited.

(Source: Laws 1943, vol. 1, p. 951.)

(30 ILCS 235/4) (from Ch. 85, par. 904)

Sec. 4.

All securities purchased under the authority of this Act shall be held for the benefit of the public agency which purchased them, and if purchased with money taken from a particular fund, such securities shall be credited to and deemed to be a part of such fund, and shall be held for the benefit thereof. All securities so purchased shall be deposited and held in a safe place by the person or persons having custody of the fund to which they are credited, and such person or persons are responsible upon his or their official bond or bonds for the safekeeping of all such securities. Any securities purchased by any such public agency under authority of this Act, may be sold at any time, at the then current market price thereof, by the governing authority of such public agency. Except as provided in Section 4.1 of "An Act in relation to State finance", all payments received as principal or interest, or otherwise, derived from any such securities shall be credited to the public agency and to the fund by or for which such

securities were purchased.

(Source: P.A. 84-1378.)

(30 ILCS 235/5) (from Ch. 85, par. 905)

Sec. 5.

This Act, without reference to any other statute, shall be deemed full and complete authority for the investment of public funds, as hereinabove provided, and shall be construed as an additional and alternative method therefor.

(Source: Laws 1943, vol. 1, p. 951.)

(30 ILCS 235/6) (from Ch. 85, par. 906)

Sec. 6. Report of financial institutions.

(a) No bank shall receive any public funds unless it has furnished the corporate authorities of a public agency submitting a deposit with copies of the last two sworn statements of resources and liabilities which the bank is required to furnish to the Commissioner of Banks and Real Estate or to the Comptroller of the Currency. Each bank designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all statements of resources and liabilities which it is required to furnish to the Commissioner of Banks and Real Estate or to the Comptroller of the Currency; provided, that if such funds or moneys are deposited in a bank, the amount of all such deposits not collateralized or insured by an agency of the federal government shall not exceed 75% of the capital stock and surplus of such bank, and the corporate authorities of a public agency submitting a deposit shall not be discharged from responsibility for any funds or moneys deposited in any bank in excess of such limitation.

(b) No savings bank or savings and loan association shall receive public funds unless it has furnished the corporate authorities of a public agency submitting a deposit with copies of the last 2 sworn statements of resources and liabilities which the savings bank or savings and loan association is required to furnish to the Commissioner of Banks and Real Estate or the Federal Deposit Insurance Corporation. Each savings bank or savings and loan association designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all statements of resources and liabilities which it is required to furnish to the Commissioner of Banks and Real Estate or the Federal Deposit Insurance Corporation; provided, that if such funds or moneys are deposited in a savings bank or savings and loan association, the amount of all such deposits not collateralized or insured by an agency of the federal government shall not exceed 75% of the net worth of such savings bank or savings and loan association as defined by the

Federal Deposit Insurance Corporation, and the corporate authorities of a public agency submitting a deposit shall not be discharged from responsibility for any funds or moneys deposited in any savings bank or savings and loan association in excess of such limitation.

(c) No credit union shall receive public funds unless it has furnished the corporate authorities of a public agency submitting a share deposit with copies of the last two reports of examination prepared by or submitted to the Illinois Department of Financial Institutions or the National Credit Union Administration. Each credit union designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all reports of examination prepared by or furnished to the Illinois Department of Financial Institutions or the National Credit Union Administration; provided that if such funds or moneys are invested in a credit union account, the amount of all such investments not collateralized or insured by an agency of the federal government or other approved share insurer shall not exceed 50% of the unimpaired capital and surplus of such credit union, which shall include shares, reserves and undivided earnings and the corporate authorities of a public agency making an investment shall not be discharged from responsibility for any funds or moneys invested in a credit union in excess of such limitation.

(d) Whenever a public agency deposits any public funds in a financial institution, the public agency may enter into an agreement with the financial institution requiring any funds not insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration or other approved share insurer to be collateralized by any of the following classes of securities, provided there has been no default in the payment of principal or interest thereon:

(1) Bonds, notes, or other securities constituting direct and general obligations of the United States, the bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States, the interest and principal of which is unconditionally guaranteed by the United States, and bonds, notes, or other securities or evidence of indebtedness constituting the obligation of a U.S. agency or instrumentality.

(2) Direct and general obligation bonds of the State of Illinois or of any other state of the United States.

(3) Revenue bonds of this State or any authority, board, commission, or similar agency thereof.

(4) Direct and general obligation bonds of any city, town, county, school district, or other taxing body of any state, the debt service of which is payable from general ad valorem taxes.

(5) Revenue bonds of any city, town, county, or school district of the State of Illinois.

(6) Obligations issued, assumed, or guaranteed by the International Finance Corporation, the principal of which is not amortized during the life of the obligation, but no such obligation shall be accepted at more than 90% of its market value.

(7) Illinois Affordable Housing Program Trust Fund Bonds or Notes as defined in and issued pursuant to the Illinois Housing Development Act.

(8) In an amount equal to at least market value of that amount of funds deposited exceeding the insurance limitation provided by the Federal Deposit Insurance Corporation or the National Credit Union Administration or other approved share insurer: (i) securities, (ii) mortgages, (iii) letters of credit issued by a Federal Home Loan Bank, or (iv) loans covered by a State Guarantee under the Illinois Farm Development Act, if that guarantee has been assumed by the Illinois Finance Authority under Section 845-75 of the Illinois Finance Authority Act, and loans covered by a State Guarantee under Article 830 of the Illinois Finance Authority Act.

(9) Certificates of deposit or share certificates issued to the depository institution pledging them as security. The public agency may require security in the amount of 125% of the value of the public agency deposit. Such certificate of deposit or share certificate shall:

(i) be fully insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Share Insurance Fund or issued by a depository institution which is rated within the 3 highest classifications established by at least one of the 2 standard rating services;

(ii) be issued by a financial institution having assets of \$15,000,000 or more; and

(iii) be issued by either a savings and loan association having a capital to asset ratio of at least 2%, by a bank having a capital to asset ratio of at least 6% or by a credit union having a capital to asset ratio of at least 4%.

The depository institution shall effect the assignment of the certificate of deposit or share certificate to the public agency and shall agree that, in the event the issuer of the certificate fails to maintain the capital to asset ratio required by this Section, such certificate of deposit or share certificate shall be replaced by additional suitable security.

(e) The public agency may accept a system established by the State Treasurer to aggregate permissible securities received as collateral from financial institutions in a collateral pool to secure public deposits of the institutions that have pledged securities to the pool.

(f) The public agency may at any time declare any particular security ineligible to qualify as collateral when, in the public agency's judgment, it is deemed desirable to do so.

(g) Notwithstanding any other provision of this Section, as security a public agency may, at its discretion, accept a bond, executed by a company authorized to transact the kinds of business described in clause (g) of Section 4 of the Illinois Insurance Code, in an amount not less than the amount of the deposits required by this Section to be secured, payable to the public agency for the benefit of the People of the unit of government, in a form that is acceptable to the public agency.

(h) Paragraphs (a), (b), (c), (d), (e), (f), and (g) of this Section

do not apply to the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Cooperative Computer Center and public community colleges.

(Source: P.A. 95-331, eff. 8-21-07.)

(30 ILCS 235/6.5)

Sec. 6.5. Federally insured deposits at Illinois financial institutions.

(a) Notwithstanding any other provision of this Act or any other statute, whenever a public agency invests public funds in an interest-bearing savings account, demand deposit account, interest-bearing certificate of deposit, or interest-bearing time deposit under Section 2 of this Act, the provisions of Section 6 of this Act and any other statutory requirements pertaining to the eligibility of a bank to receive or hold public deposits or to the pledging of collateral by a bank to secure public deposits do not apply to any bank receiving or holding all or part of the invested public funds if (i) the public agency initiates the investment at or through a bank located in Illinois and (ii) the invested public funds are at all times fully insured by an agency or instrumentality of the federal government.

(b) Nothing in this Section is intended to:

(1) prohibit a public agency from requiring the bank

at or through which the investment of public funds is initiated to provide the public agency with the information otherwise required by subsection (a), (b), or (c) of Section 6 of this Act as a condition of investing the public funds at or through that bank; or

(2) permit a bank to receive or hold public deposits

if that bank is prohibited from doing so by any rule, sanction, or order issued by a regulatory agency or by a court.

(c) For purposes of this Section, the term "bank" includes any person doing a banking business whether subject to the laws of this or any other jurisdiction.

(Source: P.A. 98-703, eff. 7-7-14; 98-756, eff. 7-16-14; 99-78, eff. 7-20-15.)

(30 ILCS 235/7) (from Ch. 85, par. 907)

Sec. 7.

When investing or depositing public funds, each custodian shall, to the extent permitted by this Act and by the lawful and reasonable performance of his custodial duties, invest or deposit such funds with or in minority-owned financial institutions within this State.

(Source: P.A. 84-754.)

(30 ILCS 235/8)

(Text of Section before amendment by P.A. 104-92)

Sec. 8. Consideration of financial institution's commitment to its community.

(a) In addition to any other requirements of this Act, a public agency shall consider the financial institution's record and current level of financial commitment to its local community when deciding whether to deposit public funds in that financial institution. The public agency may consider factors including, but

not necessarily limited to:

(1) for financial institutions subject to the federal Community Reinvestment Act of 1977, the current and historical ratings that the financial institution has received, to the extent that those ratings are publicly available, under the federal Community Reinvestment Act of 1977;

(2) any changes in ownership, management, policies, or practices of the financial institution that may affect the level of the financial institution's commitment to its community;

(3) the financial impact that the withdrawal or denial of deposits of public funds might have on the financial institution;

(4) the financial impact to the public agency as a result of withdrawing public funds or refusing to deposit additional public funds in the financial institution; and

(5) any additional burden on the resources of the public agency that might result from ceasing to maintain deposits of public funds at the financial institution under consideration.

(a-5) Effective January 1, 2022, no public funds may be deposited in a financial institution subject to the federal Community Reinvestment Act of 1977 unless the institution has a current rating of satisfactory or outstanding under the Community Reinvestment Act of 1977.

(a-10) When investing or depositing public funds, the public agency may give preference to financial institutions that have a current rating of outstanding under the federal Community Reinvestment Act of 1977.

(b) Nothing in this Section shall be construed as authorizing the public agency to conduct an examination or investigation of a financial institution or to receive information that is not publicly available and the disclosure of which is otherwise prohibited by law.

(Source: P.A. 101-657, eff. 3-23-21.)

(Text of Section after amendment by P.A. 104-92)

Sec. 8. Consideration of financial institution's commitment to its community.

(a) In addition to any other requirements of this Act, a public agency shall consider the financial institution's record and current level of financial commitment to its local community when deciding whether to deposit public funds in that financial institution. The public agency may consider factors including, but not necessarily limited to:

(1) for financial institutions subject to the federal Community Reinvestment Act of 1977, the current and historical ratings that the financial institution has received, to the extent that those ratings are publicly available, under the federal Community Reinvestment Act of 1977;

(1.5) for financial institutions subject to the Illinois Community Reinvestment Act, the current and historical ratings that the financial institution has received under the Illinois Community Reinvestment Act, to the extent that those ratings are publicly available;

(2) any changes in ownership, management, policies, or practices of the financial institution that may affect the level of the financial institution's commitment to its community;

(3) the financial impact that the withdrawal or denial of deposits of public funds might have on the financial institution;

(4) the financial impact to the public agency as a result of withdrawing public funds or refusing to deposit additional public funds in the financial institution; and

(5) any additional burden on the resources of the public agency that might result from ceasing to maintain deposits of public funds at the financial institution under consideration.

(a-5) Effective January 1, 2022, no public funds may be deposited in a financial institution subject to the federal Community Reinvestment Act of 1977 unless the institution has a current rating of satisfactory or outstanding under the Community Reinvestment Act of 1977.

(a-6) Effective January 1, 2026, no public funds may be deposited in a financial institution subject to the Illinois Community Reinvestment Act unless either (i) the institution has a current rating of satisfactory or outstanding under the Illinois Community Reinvestment Act at the time of deposit or (ii) the Department of Financial and Professional Regulation has not yet completed its initial examination of the institution pursuant to the Illinois Community

Reinvestment Act. Public funds that have been deposited may not be withdrawn from a financial institution prior to the date of maturity solely on the basis of a less than satisfactory rating under the Illinois Community Reinvestment Act.

(a-10) When investing or depositing public funds, the public agency may give preference to financial institutions that have a current rating of outstanding under the federal Community Reinvestment Act of 1977 and the Illinois Community Reinvestment Act.

(b) Nothing in this Section shall be construed as authorizing the public agency to conduct an examination or investigation of a financial institution or to receive information that is not publicly available and the disclosure of which is otherwise prohibited by law.

(Source: P.A. 104-92, eff. 1-1-26.)

(30 ILCS 235/9)

Sec. 9. Municipal and county investment in not-for-profit community development financial institutions. Municipalities and counties may invest up to \$250,000 per year in public funds in not-for-profit community development financial institutions across all institutions. These financial institutions must have at least \$5,000,000 in net assets and have earned at least an "A" rating by an investment rating organization that primarily provides services for community development financial institutions. Investments made under this Section shall be made for a term and at a rate acceptable to the municipality or county and the municipality or county may set benchmarks in order to continue investing in the not-for-profit community development financial institution.

(Source: P.A. 99-676, eff. 7-29-16.)