



Bloomingdale
School District 13
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To: Dr. Jon Bartelt
Board of Education

From: Mr. John Reiniche
Date: June 21, 2022
Re: Designation of Interest

Background:

In 2009, the Illinois Administrative Code (23 Ill. Admin. Code 100.50(a)(4)) changed, which now makes it necessary for school districts to pass an annual resolution to retain accrued or earned investment income in funds as interest. According to the newly passed state code, if such a resolution is not passed investment earnings revert from interest to principal at the end of each fiscal year. Interest earnings are available for transfer by a formal board resolution process to where the dollars are most needed. This flexibility, in most cases, is lost or greatly inhibited if the interest is allowed to revert to principal under the new wording in the Administrative Code.

Situation:

Recognizing the designation of interest gives the Board of Education the authority to "earmark" interest earned and later the flexibility to transfer this earned income to a fund in most need. The legal exception to this rule is that the Board cannot transfer interest from any of the following funds: (1) Tort Immunity; (2) IMRF; (3) Life Safety; or (4) Capital Improvements. It is estimated that the District will over \$200,000 in interest and transferring \$0, allowing the entire \$200,000 of interest income to be transferred in future years. Without this resolution we would not have access to these dollars for transfers.

Recommendation:

The Administration recommends that the Board of Education of Bloomingdale School District 13 approve the attached resolution as written, which allows the Board of Education to designate all earned and accrued investment and bank interest earnings as interest and not as principal balance for the coming and all prior fiscal years and further move to maintain a record of such earnings as stipulated in the resolution.

**RESOLUTION
DESIGNATING INTEREST EARNINGS
FOR FISCAL YEAR 2021 - 2022**

WHEREAS, by regulation (23 Ill. Administrative Code 100.50(a)(4)), the Illinois State Board of Education now specifies that, unless a statute or school board resolution provides otherwise, interest earnings on school district funds shall be added to and become part of principal as of June 30 of each fiscal year;

WHEREAS, this Board wishes to retain the option of later transferring some or all of the interest earned during this fiscal year and previous fiscal years under Section 10-22.44 of the School Code (105 ILCS 5/10-22.44);

NOW, THEREFORE, Be It Resolved by the Board of Education of Bloomingdale School District No. 13, DuPage County, Illinois, as follows:

1. All interest earned in each fund of this School District during the current fiscal year is hereby designated as interest and not as the principal balance in that fund for the fiscal year beginning July 1, 2021, and is subject to being transferred as interest to the extent permitted by law.
2. All interest earned in each fund of this School District during any prior fiscal year and retained in the School District fund for which it accrued is hereby designated as interest and not as part of the principal balance in that fund for the fiscal year beginning July 1, 2009, and is subject to being transferred as interest to the extent permitted by law.
3. The Treasurer is directed to maintain a record of the total of all interest earnings so designated for each School District fund as of July 1, 2009, and to provide a report of that record to the Board.
4. This resolution shall take effect upon its adoption.

BOARD OF EDUCATION
BLOOMINGDALE SCHOOL DISTRICT NO. 13,
DUPAGE COUNTY, ILLINOIS

AYE: _____ Nay: _____ ABSENT: _____

By: _____
President, Board of Education

Attest: _____
Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

CERTIFICATION OF RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Bloomingdale School District No. 13, DuPage County, Illinois (the "Board"), and that as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete copy of a resolution entitled:

**RESOLUTION
DESIGNATING INTEREST EARNINGS
FOR FISCAL YEAR 2021 - 2022**

as adopted by the Board at its meeting held on the 27th day of June, 2022.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board in the conduct of said meeting and in the adoption of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 27th day of June, 2022.

Secretary, Board of Education