Resolution of the County Board
Of
Kankakee County, Illinois

RE: REPEAL OF RESOLUTION #1994-000019 INTERFUND LOAN PROCEDURE AND AUTHORITY

WHEREAS, the Kankakee County Board passed resolution #1994-000019 which created a procedure for how the County may inter-fund loan from one of its accounts to another and granted the authority to do so, in the case of an emergency, to the County Treasurer with the consent of the County Auditor and the County Board Chairman; and,

WHEREAS, the resolution no longer fits the needs of the County’s budget and finance processes; and,

WHEREAS, the Executive Committee at its regularly scheduled meeting of February 26, 2018 and after review, discussion and consideration, the committee hereby recommends the repeal of resolution #1994-000019.

NOW, THEREFORE, be it resolved by the Kankakee County Board that resolution #1994-000019, which addresses inter-fund loan procedures and authority is hereby repealed.

PASSED and adopted this 13th day of March, 2018.

ATTEST:

Andrew H. Wheeler, County Board Chairman

Dan Hendrickson, County Clerk
Resolution of the County Board
of
Kankakee County, Illinois

RE: INTERFUND LOAN PROCEDURE AND AUTHORITY

WHEREAS, following the adoption of the county budget, idle funds in one account may be loaned to another account by the County Board, even though the County Board does not have explicit statutory authority to make such temporary transfers. Gates v. Switzer, 347 Ill. 353, 359.

WHEREAS, if an account becomes distressed, it is generally more efficient to loan available funds from another account than to issue Tax Anticipation Warrants.

WHEREAS, from time to time an emergency loan of funds from one account to another may be necessary, and because time is of the essence in such cases, the Finance-Purchase-Audit Committee of the Kankakee County Board believes that it is in the best interest of the County and recommends that the Board delegate the authority to loan funds from one account to another should an emergency arise.

WHEREAS, the Finance-Purchase-Audit Committee of the County Board recommends that the County Board establish a protocol which shall be used for all interfund loans.

NOW, THEREFORE BE IT ORDAINED by the County Board of Kankakee County, that:

1. The Kankakee County Treasurer, with the concurrence of the Kankakee County Auditor and the Kankakee County Board Chairman, is hereby entrusted with the power to authorize and implement an interfund loan which may be deemed necessary on an emergency basis.

2. In the event that the County Board Chairman and the County Treasurer, and the County Auditor determine that there would be an undue hardship to a specific account to wait until the next regular meeting of the Kankakee County Board for the loan to be approved, an emergency situation is deemed to exist and a loan of funds may be made.
3. The County Board shall be so advised of an emergency loan of funds at its next regular meeting, and they may approve or rescind the emergency action by a simple majority vote.

4. The County Board shall have the power to examine the County Board Chairman, Treasurer, and/or Auditor regarding the faithful discharge of authorized duties herein.

5. In all cases not deemed to be emergency in nature, the issue of the interfund loan shall be brought before the County Board for approval and said loan may be approved by a simple majority vote.

6. The terms of all interfund loans shall be in writing and shall specify:
   a. the name of the lending account;
   b. the name of the borrowing account;
   c. the period of the loan which shall not extend beyond fiscal year;
   d. the interest rate, which shall be set at one-half (1/2) point below the Federal Funds Rate on the date of the transfer; and,
   e. shall be signed and approved by the County Board Chairman, Treasurer, and Auditor.

ADOPTED AND PASSED THIS 8TH DAY OF FEBRUARY, 1994.

RUSSELL A. THOMPSON, CHAIRMAN

ATTEST:

BRUCE CLARK, COUNTY CLERK

DATE 2-8-94
ACTION Adopted-2a
voted 25-0-0-20-0