**Section 100.85 Fiduciary Funds**

The requirements of this Section apply to fiduciary funds established by GASB 84.

a) Activities for fiduciary funds are defined under GASB 84 as follows:

1) The assets associated with the activity are controlled by the district.

2) The assets associated with the activity are not derived:

A) solely from the district's own-source revenues; or

B) from government-mandated, non-exchange transactions or voluntary non-exchange transactions, with the exception of pass-through grants for which government does not have administrative involvement or direct financial involvement.

3) The assets associated with the activity have one or more of the following characteristics:

A) The assets are either:

i) administered through a trust in which the district itself is not a beneficiary; or

ii) dedicated to providing benefits to recipients in accordance with the benefit terms and is legally protected from the creditors of the district.

B) The assets are for the benefit of individuals and the district does not have administrative involvement with the assets. Also, the assets are not derived from the district's provision of goods or services to those individuals.

C) The assets are:

i) for the benefit of organizations or other governmental entities that are not part of the district; and

ii) not derived from the district provision of goods or services to those organizations.

b) The district has fiduciary responsibility for the funds under subsection (a), but does not have any control over the funds, including how the funds are spent. The school board must take the following actions with respect to each fiduciary fund:

1) support the fund's establishment and purpose;

2) support the collection of all monies;

3) keep records that verify the amounts received and disbursed and the assets on hand;

4) appoint a treasurer, bonded in accordance with Section 8-2 of the Code, who must be the custodian of the fund's assets and perform the duties listed in subsection (g);

5) designate depositories for cash and any investments; and

6) obtain from the outside entity the names and contact information for those persons who will have authority to approve written purchase orders or other authorizations that will be required to spend or invest funds.

c) Each fiduciary fund must deposit any funds received from any source with the fund's treasurer and obtain a signed receipt identifying the activity fund and the amount.

d) The treasurer of each fiduciary fund must:

1) be the fund's sole custodian;

2) keep all monies in a depository designated in accordance with Section 8-7 of the Code or invest them in conformance with the Public Funds Investment Act [30 ILCS 235] and maintain liability accounts to show the ownership of all assets;

3) make all disbursements from the fund by a treasurer's check drawn upon the fund;

4) write checks only when sufficient funds are available on hand to cover them;

5) reconcile monthly the bank and investment balances with the fund's liabilities;

6) provide to group members and the school board a monthly report that includes a statement of receipts, disbursements, and current balances; and

7) carry the fund's balance over to the next fiscal year.

(Source: Added at 44 Ill. Reg. 9150, effective May 12, 2020)