**Section 30.110 Trust Agreements − Using Educational Agencies**

a) The term "using educational agencies" means "community colleges" as defined in the Public Community College Act [110 ILCS 805].

b) If the use of a trust is requested by the chief executive officer of any using educational agency and approved by the Executive Director, those monies required to be paid by law by any using educational agency to the Board for that agency's contribution to a construction project may be deposited under a trust agreement with an Illinois bank of the agency's choice. The using educational agency shall receive any interest on the deposited contribution.

c) Pursuant to application by the using educational agency, a trust agreement by the bank and the using educational agency shall contain as a minimum the following provisions:

1) The amount to be deposited subject to the trust;

2) That earnings on the trust corpus be paid by the trustee to the using educational agency not less frequently than quarterly;

3) That the Executive Director or alternate for this purpose designated by the Board, acting in his or her official capacity, is the only person authorized to direct the trustee to make payment out of the trust;

4) That the right of the Executive Director, or alternate for this purpose designated by the Board, to direct payment is restricted in that any funds so directed shall be made payable only to: "The Order of State Treasurer of Illinois, Capital Development Board, Contributory Trust Fund";

5) That the Bank shall pay the funds within 2 working days after receipt of the written directions of the Executive Director or alternate for this purpose designated by the Board, and that any agreement between the bank and the using educational agency shall in no way affect the duty of the bank to pay upon demand;

6) That the bank, as trustee, shall invest in securities of the type utilized to collateralize deposits by the Treasurer of the State of Illinois; invest in time deposits, open accounts, certificates of deposit, or savings accounts; or enter into a repurchase agreement.

A) However, all time deposits, open accounts, certificates of deposit, or savings accounts shall be covered by a pledge of securities of the type utilized to collateralize deposits by the Treasurer of the State of Illinois (see subsection (e)) to cover the difference between the Federal Deposit Insurance Corporation insurance and the total unsecured amount on deposit with the depositor bank of the trustee bank.

B) A safekeeping receipt for those deposits shall be submitted to the using educational agency covering the securities pledged, and a certified statement to the effect that all monies invested have been adequately protected, shall be submitted to the Board by the bank.

C) Should the repurchase agreement cover securities other than those described in subsection (e), those agreements shall also be subject to the pledge of securities provision (see subsection (c)(6)(A)).

d) The using educational agency shall be responsible for obtaining the written consent of the bank trustee. Any costs or service fees shall be borne by the using educational agency.

e) For the purpose of this Part, the term "securities of the type utilized to collateralize deposits by the Treasurer of the State of Illinois" means the classes of acceptable securities for public funds to be used by the State Treasurer (see Section 11(a) of the Deposit of State Moneys Act [15 ILCS 520]).

(Source: Amended at 43 Ill. Reg. 14093, effective November 20, 2019)