



## WORKING CASH POLICY

**Policy Number: 3.5002**

**Subject Area: Business Services and Finances**

**Adopted: 07/28/2025**

**Revised: 07/28/2025**

### **Purpose**

The Working Cash Fund is established by Resolution of the Board of Trustees to enable Kaskaskia College to have sufficient funds at all times to meet demands for ordinary and necessary expenditures.

### **Authorization**

Monies in the Working Cash Fund may be used for any and all community college purposes and may be transferred, in whole or in part, from the Working Cash Fund to the Educational Fund or Operations and Maintenance Fund, only upon the authority of the Board, which shall by Resolution direct the Kaskaskia College Treasurer to make such transfers. (110 ILCS 805/3-33.6)

### **Fund Creation and Maintenance**

In order to create, maintain, or increase the fund, the Board may incur an indebtedness for working cash purposes based on the lesser of the following:

- a) 75% of the taxes permitted to be levied for educational purposes and for operation and maintenance of facilities purposes for the then-current year to be determined by multiplying the aggregate of the authorized maximum education tax rate and the maximum operations and maintenance tax rate applicable to the district by the last assessed valuation as determined at the time of the issue of the bonds plus 75% of the last known entitlement of such district to the taxes as by law enacted or amended to replace revenue lost by units of local government and school districts as a result of the abolition of the *ad valorem* personal property taxes, pursuant to Article IX, Section 5(c) of the Constitution of the State of Illinois, less the amount of working cash bonds outstanding. (110 ILCS 805/3-33.2)
- b) 90% of the taxes permitted to be levied for educational purposes and for operation and maintenance of facilities purposes for the then-current year to be determined by multiplying the aggregate of the authorized maximum education tax rate and the maximum operation and maintenance tax rate applicable to the district by the last assessed valuation as determined at the time of the issue of the bonds plus 90% of the last known entitlement of such districts to the taxes as by law enacted or amended to replace revenue lost by units of local government as a result of the abolition of the *ad valorem* personal property taxes plus the amount of monies to be received by the College in the current year for educational or operations and maintenance purposes from the State or Federal government less the amount presently to the credit of the Working Cash Fund. (110 ILCS 805/3-33.6)

### **Bond Issuance**

Working Cash Bonds may be issued without submitting the question of issuance to the voters of the Kaskaskia College district for approval. Before issuing the bonds, however, the Board shall hold a public hearing and at a subsequent meeting adopt a Resolution designating the purpose and fixing the amount of the bonds proposed to be issued, the maturity, the rate of interest, and the amount of taxes to be levied annually for the purpose of paying the principal and interest.

The bonds shall be issued in the corporate name of Kaskaskia College and will be signed by the Chairperson, Treasurer and Secretary of the Kaskaskia College Board of Trustees. (110 ILCS 805/3-33.3) (30 ILCS 352/10)

All bond proceeds received from the sale of Working Cash Bonds, when received by the Kaskaskia College Treasurer, shall be set apart in a fund specified for working cash purposes. The monies in the fund account shall not be appropriated by the Board in the Annual Budget. (110 ILCS 805/3.33.5)

### **Fund Abatement**

Kaskaskia College may abate its Working Cash Fund at any time by adopting a Resolution. The College may then transfer money from this fund to any other fund or funds that are in need of the money, as long as the College keeps an amount in the Working Cash Fund equal to at least 0.10% of the then-current taxable property value in the district, as assessed or equalized by the Department of Revenue. Any outstanding loans from the College to other funds may be

paid or become payable to the fund(s) receiving the money from the abatement. This amount must include any funds transferred under Section 3-33.6 that will be reimbursed to the Working Cash Fund.

In the event of any **emergency circumstances**, the Board may revert to the statutory 0.05% of the then-current taxable property value in the district, as assessed or equalized by the Department of Revenue. Any outstanding loans from the College to other funds may be paid or become payable to the fund(s) receiving the money from the abatement. This amount must include any funds transferred under Section 3-33.6 that will be reimbursed to the Working Cash Fund for the Working Cash Fund balance. (110 ILCS 805/3-33.6a)

If Kaskaskia College elects to abolish or abate its Working Cash Fund, they shall have the authority to increase or again create a Working Cash Fund at any time. (110 ILCS 805/3-33.6)

### **Temporary Working Cash Transfers Repayment**

Working Cash Fund transfers are not considered interfund loans, but rather temporary transfers subject to special repayment considerations. The repayment period for temporary working cash transfers depends on the payment schedule of the anticipated revenues.

### **Fund Abolishment**

Kaskaskia College may abolish its Working Cash Fund upon the adoption of a Resolution directing the transfer of any balance in such fund to the Operating Fund at the close of the then-current fiscal year.

If Kaskaskia College elects to abolish or abate its Working Cash Fund, they shall have the authority to increase or again create a Working Cash Fund at any time. (110 ILCS 805/3-33.6)

### **Interest Earnings**

Monies earned as interest from the investment of the Working Cash Fund, or any portion thereof, may be transferred from the Working Cash Fund to the Educational Fund or Operations and Maintenance Fund of the College without any requirement of repayment to the Working Cash Fund when authorized by a separate resolution of the Board of Trustees. (110 ILCS 805/3-33.6)

### **Review**

This policy shall be reviewed at a minimum every three (3) years by the Treasurer or the Treasurer's designee with regards to the policy's effectiveness in meeting the College's objectives. Any substantive changes will be approved by the Board of Trustees.