**Section 380.205 Reserve Fund**

a) Each Agency shall establish a Reserve Fund in an interest-bearing account from the Annual Receipts or Fund Distribution, as applicable, to offset decreases in funding caused by periodic fluctuation in Annual Receipts, to maintain continuity in funding when Commitments expire, and to phase out Rental Assistance lost by a shift in any Geographic Area's proportionate Fund Distribution as a result of a new decennial census. Municipalities may delegate the responsibility to establish a Reserve Fund to their designated LAAs.

b) The amount to fund the Reserve Fund for the Authority shall be a maximum of 5% of the amount of each year's Annual Receipts after subtracting the Authority's administrative fee and the Fund Distributions to Municipalities. The amount of each Municipality's Reserve Fund shall be a maximum of 5% of the Municipality's Fund Distribution. Each Reserve Fund shall also include income derived from investing funds in the Reserve Fund and funds received from LAAs that did not use the entire amount of their Allocations.

(Source: Amended at 46 Ill. Reg. 12608, effective July 7, 2022)