

1 SENATE RESOLUTION

2 WHEREAS, Section 8-7 of the School Code authorizes
3 township and school treasurers to "enter into
4 agreements...regarding the deposit, redeposit, investment,
5 reinvestment or withdrawal of school funds, including,
6 without limitation, agreements with other township and school
7 treasurers"; and

8 WHEREAS, Section 3-47 of the Public Community College Act
9 authorizes community college districts to "enter into
10 agreements...regarding the deposit, redeposit, investment,
11 reinvestment or withdrawal of community college funds,
12 including, without limitation, agreements with...township and
13 school treasurers authorized by Section 8-7 of the School
14 Code"; and

15 WHEREAS, Under the authority provided by those statutes,
16 the Illinois School District Liquid Asset Fund Plus, a common
17 law trust, was created; and

18 WHEREAS, Hundreds of Illinois school districts invest
19 public moneys in the Fund; and

20 WHEREAS, Section 2.14(d) of the Fund's Declaration of
21 Trust states, "any Trustee or officer, employee or agent of
22 the Fund may be interested...or otherwise have a direct or
23 indirect interest in, any Person who may be engaged to render
24 advice or services to the Fund"; and

25 WHEREAS, A recent news report involving the Worth
26 Township School Treasurer, a former Trustee of the Fund,
27 questions certain activities involving the Fund; and

28 WHEREAS, In 1997 the State Treasurer had ongoing
29 questions concerning the Fund's investment in banker's
30 acceptances, which was determined to be an inappropriate
31 investment by the State's Attorney General at that time;

1 therefore, be it

2 RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL
3 ASSEMBLY OF THE STATE OF ILLINOIS, that we ask the Auditor
4 General to conduct a management audit of the Illinois School
5 District Liquid Asset Fund Plus; and be it further

6 RESOLVED, That the audit include without limitation (i)
7 whether the Fund's provisions regarding conflicts of interest
8 are sufficient and comparable to other pools investing public
9 moneys, (ii) whether the Fund's performance is comparable to
10 other pools investing public moneys, and (iii) whether
11 controls are in place to adequately protect public moneys
12 invested in the Fund; and be it further

13 RESOLVED, That the Fund, its Trustees, officers, and
14 employees, its agents and contractors, and any other entity
15 or person that may have information relevant to this audit
16 cooperate fully and promptly with the Office of the Auditor
17 General in the conduct of this audit; and be it further

18 RESOLVED, That the Auditor General commence this audit as
19 soon as possible and distribute the report upon completion in
20 accordance with Section 3-14 of the Illinois State Auditing
21 Act; and be it further

22 RESOLVED, That a suitable copy of this resolution be
23 delivered to the Auditor General.