

**CARL SANDBURG COLLEGE**

**Board of Trustees Meeting**

**Regular Meeting – June 28, 2007**

**Item** 12 Interest Transfer: Risk Management (Insurance) Reserve Fund

**Institutional Focal Points/Goals**

II-D, V-A & C

**Background**

At its regular meeting held October 22, 1992, the Board of Trustees approved the sale of bonds to establish a Risk Management (Insurance) Reserve Fund (RMRF).

Use of the (principal) funds resulting from this bond sale is restricted for tort purposes. Interest earned on these funds is regulated under the Local Governmental and Governmental Employees Tort Immunity Act (as amended).

It has now been determined that, effective July 1, 2007, sufficient RMRF interest earnings will be out from under Arbitrage rules and eligible to be declared surplus. \$195,470 of this is positioned within the FY-2008 budget to supplement the Liability, Protection & Settlement (Risk Management) Program.

**Recommended Action**

The Administration recommends the adoption of the attached resolution, thereby declaring \$195,470 as surplus Risk Management (Insurance) Reserve Fund interest. Further, the administration recommends the transfer of \$195,470 to the FY-2008 Liability, Protection and Settlement Fund effective July 1, 2007.