SUMMARY

Amends the Charitable Trust Stabilization Act to clarify spending allocations from the Charitable Trust Fund and remove obsolete provisions from the statute. See current status and full text.

PROPOSED CHANGES

- Increases the percentage of money deposited into the fund that must be spent on grants from 50% to 80%
- Decreases the percentage of money that must be invested to earn interest or other investment income from 30% to 20%
- Removes the requirement that 20% of the moneys in the fund be set aside as a reserve for operational expenses for the next fiscal year
- Removes obsolete language

RATIONALE

- Adjusting the spending allocations gives the Treasurer authority to utilize more of the funds for grants to assist the smallest nonprofit organizations in Illinois
- The language requiring the repayment of start-up funds of $1 million is being removed because these funds were already transferred from the Charitable Trust Stabilization Fund to GRF in two installments in 2011 and 2012

BACKGROUND

The Charitable Trust Stabilization Fund was created in 2007 to help support small nonprofit organizations across Illinois and is funded by the filing fees nonprofits pay to incorporate with the State. Grants of up to $25,000 may be awarded to nonprofits with operating budgets of up to $1 million that meet certain eligibility requirements, including having at least one full-time paid employee and being domiciled in Illinois. Special attention is given to applicants located in areas where pervasive poverty, unemployment, and economic distress exist. The grants focus on three areas: housing programs, food programs, and workforce and economic development. However, before current administration, fund wasn’t used much and built up a cash balance of ~$4 million. The current Treasurer created grant process that is used today. Nearly $3.5 million has been awarded to 173 nonprofit organizations in Illinois. The Fund balance is currently leveling out at ~$1 million, collecting $400-500,000 annually even during COVID. The Treasurer’s office expects this pattern to continue, awarding ~20 grants @ $20K each annually.

SUPPORTED BY

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