

## **Chicago Metropolitan Agency for Planning**

### **Line of Credit Policy**

#### **I. Purpose**

The Chicago Metropolitan Agency for Planning (“CMAP”) is funded through federal, state, local, and philanthropic sources, in accordance with the Regional Planning Act. 70 ILCS 1707/62. On occasion, funding for CMAP is delayed, which puts a financial strain on daily operating expenses. The CMAP Board has determined it is in the best interests to authorize the Executive Director to establish a line of credit, to allow CMAP to access funds on an as-needed and short-term basis to finance certain needs, all as set forth in this Policy. The purpose of this Policy is to provide a framework for CMAP to access and manage a line of credit to ensure responsible borrowing and repayment.

#### **II. Scope**

The Executive Director may, at their discretion, establish a line of credit at a financial institution. The process for selecting a lender must include comparing various financial institutions for interest rates and fees, loan terms, and flexibility.

#### **III. Credit Limits and Terms**

- A. The maximum amount that may be borrowed pursuant to a line of credit at any one time may not exceed \$5,000,000.
- B. The line of credit may only be used for payment of: (i) payroll expenses, personnel expenses, consultant expenses, and any other operational expenses necessary for daily CMAP operations, including, but not limited to, utility bills, maintenance expenses, and rent payments; and (ii) unforeseen emergencies.
- C. No funds may be borrowed pursuant to a line of credit unless the Executive Director provides written notice to the Board, delivered via email, at least forty-eight (48) hours in advance, specifying (1) the expected amount to be borrowed, and (2) the intended use and purpose of the borrowed funds.
- D. CMAP staff must pay off the line of credit as soon as possible, to ensure that the least amount of interest is incurred on borrowed funds.

#### **IV. Monitoring and Reporting**

CMAP staff must regularly monitor the line of credit, reviewing outstanding balances and payment activity, and must provide updated reports to the Board at every Board meeting.