

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.