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ILLINOIS STATE TREASURER

Illinois Sustainable Investing Act - FAQs

How does this apply to me?

All public entities in Illinois that have public funds within their custody are subject to this law. This law is applicable to all current operating funds, special funds, interest and sinking funds, and funds of any kind.

What that means for you is that changes will need to be made to the investment policy statement to reflect that sustainability factors are being incorporated and considered in investment decision making related to funds in your custody. The investment policy should include material, relevant, and decision-useful sustainability factors that will be considered as part of its evaluation of investment decisions. Sample policy language can be found at our website.

The implementation of this integration can vary based on how funds are managed. For instance, if an investment manager is utilized then there are questions you can ask during the manager selection process or after selection to better understand how the manager is taking these investment risks into account. We have sample Sustainability Due Diligence Questionnaires related to [Investment Manager Evaluation](#) and [Security Analysis](#) available on our website for your reference.

Please note that the Treasurer's Office cannot provide legal advice on whether specific language brings an entity into compliance with any statute. If you have specific legal questions, you should contact your attorney.

There has been some conflicting information about whether public entities must update their investment policies. Is this required as the Illinois Sustainable Investment Act was implemented in the PFIA?

All public agencies in Illinois that have public funds within their custody must update their investment policies to reflect that sustainability factors are being incorporated and considered in investment decision making related to funds in their custody. Not doing so might create exposure to audit or litigation risk. Those entities subject to the Illinois Pension Code must also file a copy of the updated investment policy with the Department of Insurance within 30 days after adoption.

The Illinois Municipal League (IML) published a fact sheet that says the Act "strongly encourages public agencies and governmental units to develop a sustainable investment policy but does not mandate them to do so." Do others share this view?

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Is there a sample Investment policy that includes these changes?

Yes, a sample can be found on the Illinois State Treasurer's website at: [www.illinoistreasurer.gov/Local Governments/Sustainable Investing Act](http://www.illinoistreasurer.gov/Local%20Governments/Sustainable%20Investing%20Act). Please note that the Treasurer's Office cannot provide legal advice on whether specific language brings an entity into compliance with any statute. If you have specific legal questions, you should contact your attorney.

How can I learn more about The Illinois Funds as an investment option?

In order to learn more about Illinois Funds, please reference the Illinois funds page on our [website](#).

What are your manager selection processes?

During our due diligence process, in addition to questions related to traditional financial factors and metrics, we also ask prospective managers a variety of questions related to the incorporation of sustainability factors. We have a sample [Sustainability Due Diligence Questionnaire](#) available on our website for your reference.

Does the Treasurer's Office have a website with additional information on the Sustainable Investing Act?

Yes. Please visit [www.illinoistreasurer.gov/Local Governments/Sustainable Investing Act](http://www.illinoistreasurer.gov/Local%20Governments/Sustainable%20Investing%20Act).